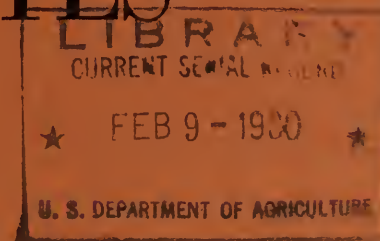


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BUDGET ESTIMATES
FOR THE
UNITED STATES
DEPARTMENT OF AGRICULTURE
FOR THE FISCAL YEAR ENDING
JUNE 30, 1961



A SEPARATE FROM THE BUDGET OF
THE UNITED STATES GOVERNMENT
1961

BUDGET ESTIMATES
FOR THE
UNITED STATES
DEPARTMENT OF AGRICULTURE
FOR THE FISCAL YEAR ENDING
JUNE 30, 1961

A Separate from the Budget of the United States Government
1961



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1960

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INTRODUCTION TO PART I

Part I of the budget contains five summary tables. Each of these tables is designed to bring together in one or two pages some overall aspect of the Federal budget.

TYPES OF FUNDS

A basic distinction is made between Federal funds on the one hand, and trust and deposit funds on the other.

The *Federal* (Government-owned) funds are of four types as follows:

The *general* fund is credited with receipts which are not earmarked by law for a specific purpose, and is charged with expenditures that are payable from appropriations (except appropriations of earmarked receipts) and those payable from borrowing. Both in number of items and in amounts, most of the Government's business is transacted through the general fund.

Special funds are those which are established to account for receipts that are earmarked by law for a specific purpose. They exclude the funds which carry on a cycle of operations for which there is continuing authority to use the receipts (as described in the next paragraph). Some special funds are subject to annual appropriation by Congress. Others are automatically available under the laws which created the funds.

Public enterprise (revolving) funds are those which finance a cycle of operations, in which the expenditures generate receipts coming primarily from the public and available for continuing use. They include nearly all of the Government corporations, the postal fund, and various unincorporated enterprises.

Intragovernmental revolving and management funds (including *consolidated working* funds) are those which are created to facilitate financing operations within and between Government agencies. They consist of two types—*intragovernmental revolving* funds which finance a cycle of operations, like public enterprise funds but with receipts primarily from within the Government; and *management* funds which permit the pooling of advance payments from two or more appropriations to carry out certain activities.

The other funds, for which the Government serves in a fiduciary capacity, are of two types—*trust* funds and *deposit* funds. They are explained in the introduction to part III.

BUDGET RECEIPTS, EXPENDITURES, AND SURPLUS OR DEFICIT

The budget totals and the budget surplus or deficit relate only to the Federal funds, and exclude trust and deposit funds. Tables 1, 2, and 3 are therefore limited to transactions of the Federal funds.

Basis of stating budget receipts.—Table 1 includes a summary of budget receipts. Budget receipts represent the total received for the general fund and the special funds, less (a) refunds of receipts and (b) transfers to trust fund receipts in the four cases where the law provides an indefinite appropriation to a trust fund in an amount equal to certain tax receipts. Gross receipts and the deductions are itemized in special analysis B of part IV.

Internal revenue and customs receipts are stated on the basis of collections reported by collecting officers. Other receipts are reported on the basis of confirmed deposits.

Basis of stating budget expenditures.—Tables 1 and 2 include information on budget expenditures. Such expenditures cover the general fund, the special funds, the public enterprise funds, and the intragovernmental revolving and management funds. Expenditures for the public enterprise funds and for the intragovernmental funds are included in the totals on a *net* basis—that is, their collections are deducted from gross expenditures and the results are the net expenditures. Interagency payments and reimbursements to appropriations are also netted; that is, to avoid double counting they are treated only as expenditures of the agency whose appropriation or fund is ultimately bearing the charge. Some incidental reimbursements from outside the Government to appropriations are similarly netted out of expenditure figures.

Under the *checks-issued* basis which is used, expenditures are reported for the fiscal year in which the checks are issued, regardless of when the obligation was incurred or when the goods and services were received. Modifications in this basis are made as follows: (a) Where payment is made in cash instead of by check, the cash payment is an expenditure; (b) where payment is made by the issuance of bonds or by an increase in their redemption value, instead of by the issuance of checks, such an issuance or increase is an expenditure; and (c) interest on the public debt, other than increases in the redemption values of savings bonds, is reported on an accrual basis.

Debt and investment transactions.—Receipts never include money obtained from borrowing by any type of Federal fund. Nor are borrowings considered as a deduction in arriving at budget expenditures. Similarly, retirement of debt is always excluded from budget expenditure figures of all types of Federal funds. The purchase of U.S. Government securities, and redemptions or sales thereof, are also excluded from expenditure and receipt figures.

Eliminations from both receipts and expenditures.—Certain transfers from one fund to another are eliminated from budget receipts and expenditures. This is done to avoid inflating both sides of the budget. Payments to the general fund of earnings and dividends on capital of revolving funds, and the return of such capital to the general fund are the items so excluded, and reported in special analysis F of part IV. However, interest paid to Treasury by such funds is considered a cost of the fund and has not been eliminated.

Budget surplus or deficit.—The budget surplus or deficit shown in table 1 represents the difference between the *budget receipts* and *budget expenditures* of a given year. Cash balances, appropriation balances, and surpluses and deficits of previous years are not a part of the calculation.

NEW OBLIGATIONAL AUTHORITY

Table 3 summarizes the new obligational authority—the total of authority becoming available in a given fiscal year for entering into new obligations.

The obligation basis.—Expenditures can be made only pursuant to appropriations or other specific authority

granted by Congress. Government agencies are generally permitted by law to incur obligations requiring the future payment of money only when they have an appropriation or other specific authority to do so. Congressional action on the budget must therefore include authority to cover *obligations* expected to be incurred within the fiscal year, rather than to cover only the *expenditures* which are expected to be made during that year in payment of obligations.

Types of new obligational authority.—There are three basic types of new obligational authority: Appropriations, contract authorizations, and authorizations to expend from debt receipts. In addition, there are sometimes reappropriations and reauthorizations.

Appropriations are authorizations to make expenditures from the general fund of the Treasury or from the various special funds. In some cases the authority to incur obligations has previously been granted in the form of contract authorizations; in such cases, the appropriation to permit the payment of such obligations is said to be to *liquidate contract authorizations* and it is not a part of new obligational authority. In all other cases appropriations confer authority both to incur new obligations and to pay for them.

Contract authorizations are authorizations to incur obligations prior to the enactment of an appropriation. A contract authorization does not in itself permit the spending of money; hence it must be followed by an appropriation to permit payment of the contracts and other obligations thus incurred.

Authorizations to expend from debt receipts are authorizations to incur obligations and make expenditures from borrowed money. Such authorizations may take these forms: (a) Authorizations for the Treasury to make public debt receipts available to a given agency or enterprise, often in exchange for notes of the enterprise; (b) authorizations for a Government-owned corporation to borrow directly from the public; and (c) cancellation of notes which have been issued by a Government enterprise and are held by the Treasury, where the cancellation has the effect of permitting further expenditures to be made (through restoring previously used authority to borrow from the Treasury).

Reappropriations and reauthorizations are actions to continue available part or all of the unused balances of prior appropriations or authorizations which would otherwise expire. When the authorizations thus continued had been previously granted for current operations of the year, the continuation of their availability into a new year constitutes new obligational authority.

Distinction between permanent and current authorizations.—Some new obligational authority is *permanent*, but most is *current*. The permanent items are those under which additional sums become available from time to time under action previously taken by the Congress; no further action is required each year. Most permanent authorizations are in force until repealed; a few are in effect for only a few years as specified in the law. The current authorizations are those enacted by Congress in or immediately preceding each fiscal year.

PROPOSED FOR LATER TRANSMISSION

Tables 1, 2, and 3 identify in separate columns the portion of receipts, new obligational authority, and expenditures which are anticipated under supplemental budget items, not provided for in the appropriation text in this budget, but planned for formal transmittal to the

Congress later. Such estimates include, in addition to the various items which are identified in part II, an "allowance for contingencies" to cover items which cannot be foreseen now but which may be transmitted later if the need arises. Congressional action upon this allowance may be requested later, not at a single time nor as a single lump-sum item, but in the form of a number of specific appropriations for individual items.

As a general rule, where legislation is proposed to extend or renew the authorization for current programs, this budget includes, in part II, recommendations for the necessary new obligational authority in the form of detailed estimates ready for congressional consideration when action on the authorizing legislation will allow. This is a change from previous budgets where forecasts of the amounts needed for such legislation were identified in lump sum as "Proposed for later transmission, under proposed legislation" (followed by transmittal later of the detailed estimates).

EFFECT ON THE DEBT

Table 4 gives details regarding the effect of each year's operations upon the public debt. The budget surplus or deficit is not the only factor which causes a change in the public debt. The amount necessary to borrow or available to repay is also influenced by: Changes in cash balances; the result of trust fund transactions; the use of borrowing directly from the public (not Treasury borrowing) as a means of financing budget expenditures of certain enterprises (and the repayments of such borrowing as an application of public enterprise fund receipts); and the change in the amount of checks outstanding and other items in process of clearance through the accounts.

CONSOLIDATED STATEMENT

Table 5 brings together the total financial plan for the Government—the budget figures for Federal funds and the estimates for trust and deposit funds—for 1961; and it presents a consolidated statement of receipts from and payments to the public. The statement not only eliminates interfund payments, but also brings in transactions of certain Government-sponsored enterprises which are not otherwise reflected in the budget, converts to a cash basis those expenditures which are made in the form of debt issuances (or increases in the redemption value of debt), and eliminates noncash receipts resulting from seigniorage. Details and further explanations are given in special analysis A of part IV.

CLASSIFICATIONS

Receipts are classified in tables 1 and 5 by *source*, a classification which is set forth in detail in special analysis B of part IV.

Expenditures and new obligational authority are classified in two ways in the part I tables. A classification by *function*, used in tables 1 and 5 and the first part of table 3, groups transactions according to broad governmental purposes; subcategories of this classification as applied to Federal funds are set forth in special analysis C. A classification by *agency*, used in table 2 and the second part of table 3, shows transactions by major organizational units of the Government, with most agencies that are independent of the ten executive departments being grouped together. The main entries in this classification correspond to "chapters" in part II of the budget and to the way in which part III is organized.

TABLE 1
SUMMARY OF BUDGET RECEIPTS AND EXPENDITURES

Based on existing and proposed legislation

[In millions]

Description	1959 actual	1960 estimate			1961 estimate		
		Under exist- ing laws and authoriza- tions enacted or recom- mended	Proposed for later trans- mission	Total	Under exist- ing laws and authoriza- tions enacted or recom- mended	Proposed for later trans- mission	Total
BUDGET RECEIPTS (special analysis B):							
Individual income taxes.....	\$36, 719	\$40, 306	-----	\$40, 306	\$43, 706	-----	\$43, 706
Corporation income taxes.....	17, 309	22, 200	-----	22, 200	22, 300	\$1, 200	23, 500
Excise taxes.....	8, 504	9, 100	-----	9, 100	7, 891	1, 632	9, 523
Employment taxes.....	321	333	-----	333	340	-----	340
Estate and gift taxes.....	1, 333	1, 470	-----	1, 470	1, 620	-----	1, 620
Customs.....	925	1, 176	-----	1, 176	1, 376	-----	1, 376
Miscellaneous budget receipts.....	3, 160	4, 015	-----	4, 015	3, 923	12	3, 935
Budget receipts	68, 270	78, 600	-----	78, 600	81, 156	2, 844	84, 000
BUDGET EXPENDITURES (special analysis C):							
Major national security.....	46, 426	45, 627	\$23	45, 650	45, 544	24	45, 568
International affairs and finance.....	3, 780	2, 058	7	2, 066	2, 180	62	2, 242
Veterans services and benefits.....	5, 174	5, 043	114	5, 157	5, 471	-----	5, 471
Labor and welfare.....	4, 421	4, 424	17	4, 441	4, 563	6	4, 569
Agriculture and agricultural resources.....	6, 529	5, 111	2	5, 113	4, 906	717	5, 623
Natural resources.....	1, 669	1, 759	26	1, 785	1, 933	5	1, 938
Commerce and housing.....	3, 421	2, 896	107	3, 002	3, 262	¹ —553	2, 709
General government.....	1, 606	1, 704	7	1, 711	1, 911	(²)	1, 911
Interest.....	7, 671	9, 385	-----	9, 385	9, 585	-----	9, 585
Allowance for contingencies.....	-----	-----	75	75	-----	200	200
Budget expenditures	80, 697	78, 005	378	78, 383	79, 354	461	79, 816
Budget surplus (+) or deficit (—)	—12, 427	-----	-----	+217	-----	-----	+4, 184

¹ Includes proposed postal rate increases of \$554 million.

² Less than one-half million dollars.

TABLE 2
SUMMARY OF BUDGET EXPENDITURES
BY AGENCY
[In millions]

Description	1959 actual	1960 estimate			1961 estimate		
		Under authorizations already enacted	Proposed for later transmission	Total	Under authorizations enacted or recommended in this document	Proposed for later transmission	Total
Legislative branch.....	\$118	\$135		\$135	\$162		\$162
The judiciary.....	47	48	\$1	49	52		52
Executive Office of the President.....	56	64	2	67	78	\$1	79
Funds appropriated to the President:							
Mutual security—economic.....	1, 524	1, 550		1, 550	1, 700		1, 700
Other.....	252	198		198	114		114
Independent offices:							
Atomic Energy Commission.....	2, 541	2, 675		2, 675	2, 689		2, 689
National Aeronautics and Space Administration.....	145	322	3	325	585	15	600
Veterans Administration.....	5, 232	5, 253	114	5, 367	5, 446		5, 446
Other.....	1, 397	1, 114	12	1, 125	1, 470	—23	1, 446
General Services Administration.....	359	424	6	430	458		458
Housing and Home Finance Agency.....	1, 152	303	58	361	497	3	500
Department of Agriculture.....	7, 091	5, 686	20	5, 706	5, 481	720	6, 201
Department of Commerce.....	382	512	32	544	463	10	473
Department of Defense—Military.....	43, 573	42, 722	23	42, 745	42, 721	24	42, 745
Department of Defense—Civil.....	807	904	3	907	972	(¹)	972
Department of Health, Education, and Welfare.....	3, 092	3, 402	15	3, 417	3, 511	5	3, 517
Department of the Interior.....	751	739	5	744	807	2	809
Department of Justice.....	250	259	(¹)	259	271	(¹)	271
Department of Labor.....	1, 016	543	1	544	539	(¹)	540
Post Office Department.....	774	604		604	603	—554	49
Department of State.....	264	230	7	238	234	58	292
Treasury Department.....	9, 841	10, 284	(¹)	10, 284	10, 452	(¹)	10, 452
District of Columbia.....	31	34		34	48		48
Allowance for contingencies.....			75	75		200	200
Budget expenditures.....	80, 697	78, 005	378	78, 383	79, 354	461	79, 816

¹ Less than one-half million dollars.

TABLE 3
SUMMARY OF NEW OBLIGATIONAL AUTHORITY
BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In millions]

Description	1959 enacted	1960 estimate			1961 estimate		
		Enacted	Proposed for later transmission	Total	Recommended in this document	Proposed for later transmission	Total
BY FUNCTION							
Major national security.....	\$45, 517	\$44, 724	\$25	\$44, 749	\$45, 258	\$24	\$45, 282
International affairs and finance.....	6, 982	2, 647	³ 49	2, 697	2, 666	49	2, 715
Veterans services and benefits.....	5, 125	5, 062	114	5, 176	5, 476	-----	5, 476
Labor and welfare.....	4, 182	4, 521	22	4, 543	4, 538	-----	4, 538
Agriculture and agricultural resources.....	5, 421	4, 396	³ 704	5, 099	4, 538	32	4, 570
Natural resources.....	1, 742	2, 506	32	2, 538	1, 836	-----	1, 836
Commerce and housing.....	2, 929	3, 718	71	3, 789	3, 701	² -497	3, 204
General government.....	1, 795	1, 637	7	1, 645	1, 910	(¹)	1, 910
Interest.....	7, 671	9, 385	-----	9, 385	9, 585	-----	9, 585
Allowance for contingencies.....	-----	-----	100	100	-----	300	300
Total new obligatory authority.....	81, 365	78, 596	1, 125	79, 721	79, 507	-92	79, 415
BY AGENCY							
Legislative branch.....	120	115	-----	115	116	-----	116
The judiciary.....	48	48	1	49	53	-----	53
Executive Office of the President.....	55	63	3	66	87	-----	87
Funds appropriated to the President:							
Mutual security—economic.....	1, 933	1, 926	-----	1, 926	2, 175	-----	2, 175
Other.....	121	18	-----	18	16	-----	16
Independent offices:							
Atomic Energy Commission.....	2, 723	2, 802	-----	2, 802	2, 666	-----	2, 666
National Aeronautics and Space Administration.....	305	501	23	524	802	-----	802
Veterans Administration.....	5, 221	5, 293	114	5, 407	5, 465	-----	5, 465
Other.....	1, 312	2, 027	³ 6	2, 033	1, 468	(¹)	1, 468
General Services Administration.....	497	278	6	284	508	-----	508
Housing and Home Finance Agency.....	258	780	13	793	652	-----	652
Department of Agriculture.....	5, 926	4, 908	³ 725	5, 633	5, 049	32	5, 081
Department of Commerce.....	471	547	32	579	506	57	563
Department of Defense—Military.....	42, 683	41, 922	25	41, 947	42, 553	24	42, 577
Department of Defense—Civil.....	867	924	3	927	978	-----	978
Department of Health, Education, and Welfare.....	3, 255	3, 466	21	3, 487	3, 431	-----	3, 431
Department of the Interior.....	791	746	7	753	771	-----	771
Department of Justice.....	253	266	(¹)	266	281	-----	281
Department of Labor.....	597	549	1	550	555	-----	555
Post Office Department.....	625	656	-----	656	603	² -554	49
Department of State.....	245	222	³ 45	266	250	49	299
Treasury Department.....	13, 024	10, 476	(¹)	10, 476	10, 469	-----	10, 469
District of Columbia.....	33	62	-----	62	53	-----	53
Allowance for contingencies.....	-----	-----	100	100	-----	300	300
Total new obligatory authority.....	81, 365	78, 596	1, 125	79, 721	79, 507	-92	79, 415

¹ Less than one-half million dollars.

² Includes proposed postal rate increases of \$554 million.

³ Includes amounts for special foreign currency programs recommended in this document.

TABLE 4
SUMMARY OF CHANGES IN STATUS OF PUBLIC DEBT
[In millions]

Description	1959 actual	1960 estimate	1961 estimate
EFFECT OF OPERATIONS ON CASH BALANCES AND PUBLIC DEBT			
Effect of operations on cash balances:			
Budget surplus or deficit (—).....	—\$12, 427	\$217	\$4, 184
Trust fund operations, increase or decrease (—) in cash balances (table 10).....	— 230	— 42	300
Public enterprise debt and investment transactions, net (special analysis F).....	— 99	—156	—79
Increase or decrease (—) in outstanding checks, deposits in transit, and similar items.....	—29	99	95
Total effect of operations on cash balances.....	—12, 785	118	4, 500
Cash balances at start of year:			
In Treasury.....	9, 749	5, 350	5, 350
Outside Treasury.....	1, 011	988	900
Cash position resulting from operations.....	—2, 025	6, 456	10, 750
Less cash balances at close of year:			
In Treasury.....	5, 350	5, 350	5, 350
Outside Treasury.....	988	900	900
Increase (—) or decrease in public debt.....	—8, 363	206	4, 500
Public debt at start of year.....	\$276, 343	\$284, 706	\$284, 500
Increase or decrease (—) in public debt.....	8, 363	—206	—4, 500
Public debt at close of year.....	284, 706	284, 500	280, 000
COMPARISON OF PUBLIC DEBT WITH STATUTORY LIMITATION			
Public debt at close of year.....	\$284, 706	\$284, 500	\$280, 000
Plus guaranteed obligations of Government agencies not owned by Treasury.....	111	116	107
Less debt not subject to statutory limitation.....	418	400	350
Debt subject to statutory limitation.....	284, 398	284, 216	279, 757
Statutory limitation on debt at close of year.....	¹ 290, 000	295, 000	285, 000
Maximum statutory limitation on debt during year.....	¹ 290, 000	295, 000	(²)

¹ Effective on June 30, 1959, only, otherwise during year the statutory limitation was \$288, 000 million.

² Increase to be recommended as indicated in the budget message.

TABLE 5

SUMMARY OF BUDGET AND TRUST TRANSACTIONS FOR FISCAL YEAR 1961

Based on existing and proposed legislation

[In millions]

Description	Budget funds (table 1)	Trust funds (table 10)	Interfund and other items (special analysis A)	Consolidated (special analysis A)
RECEIPTS				
Individual income taxes.....	\$43,706			\$43,706
Corporation income taxes.....	23,500			23,500
Excise taxes.....	9,523	\$2,950		12,473
Employment taxes.....	340	12,325		12,665
Estate and gift taxes.....	1,620			1,620
Customs.....	1,376			1,376
Miscellaneous budget and trust receipts.....	3,935	7,272	— \$4,369	6,837
Total receipts.....	84,000	22,547	— 4,369	102,178
EXPENDITURES				
Major national security.....	45,568	333	— 3	45,898
International affairs and finance.....	2,242	14	— 64	2,192
Veterans services and benefits.....	5,471	664	— 10	6,125
Labor and welfare.....	4,569	16,159	— 447	20,281
Agriculture and agricultural resources.....	5,623	18	— 165	5,475
Natural resources.....	1,938	36	— 3	1,970
Commerce and housing.....	2,709	3,723	— 868	5,565
General government.....	1,911	443	— 61	2,293
Interest.....	9,585	(¹)	— 1,627	7,958
Allowance for contingencies.....	200			200
Undistributed.....		— 111	— 1,589	— 1,700
Total expenditures.....	79,816	21,278	— 4,837	96,257
Excess of receipts over expenditures.....	4,184	1,269	468	5,921

¹ Less than one-half million dollars.

INTRODUCTION TO PART II

Part II contains the details of the budget for Federal funds, including various types of tables and schedules, explanatory statements of the work to be performed and the money needed, and the text of the language proposed for enactment by Congress on each item of authorization. Included herein is also material on a few trust funds which require congressional action.

This part of the budget begins with 4 statements (tables 6 through 9) which supplement the tables of part I. The remainder of part II is arranged in chapters reflecting the organization of the Government.

Each chapter begins with a summary narrative statement and certain summary tables. These are followed by detailed material for each appropriation or fund.

SUMMARY TABLES AND THEIR CONTENTS

SUMMARIES OF AUTHORIZATIONS AND EXPENDITURES

Listing of accounts.—A principal table for each chapter shows the new obligational authority and budget expenditures by appropriation or fund account. The listing is arranged by bureau or comparable organization unit and, for each such unit, is divided into several sections: Current authorizations (other than for public enterprise and intragovernmental funds), permanent authorizations, public enterprise and intragovernmental funds, and supplemental items proposed for later transmission.

Authorizations by type.—Forms of new obligational authority other than appropriations are set forth under the applicable account titles, identified by separate line entries. A recapitulation at the end of the account listing shows the authorizations divided between current and permanent and classified by type. In this recapitulation new obligational authority for public enterprise and intragovernmental funds is classified with other authority of the same type. The figures are carried forward into a governmentwide summary in table 7.

Classification by function.—Functional code numbers appear in a separate column of the chapter listings, indicating the category in the functional table (special analysis C of part IV) where each item has been included.

Transactions of public enterprise funds.—An appended table in each chapter is used for public enterprise funds. It shows the gross expenditures, the receipts from operations, and the budget expenditures (the difference between the two other figures). The figures for gross expenditures and for receipts are derived from the detailed business-type budget statements, which show expenditures and receipts on an accrual basis with a single adjustment (on either the expenditure or receipt side but not both) for the conversion from an accrual to a checks-issued basis (net). The figures from the chapters are totaled in table 9.

SUMMARIES OF BALANCES CARRIED FORWARD

An analysis of unexpended balances for each chapter shows the balances of budget authorizations carried forward at start and end of the past, current, and budget years. These balances are summarized in table 8.

Many budget authorizations are available for obligation for only 1 year, but some are available for longer periods of time or without time limit. In the case of those which are for a specific period of time, unobligated balances are written off at the end of that time, but obligated balances remain available indefinitely to pay outstanding obligations lawfully incurred.

In the case of salaries and wages, travel, and like items, the lag between obligations and expenditures is usually no more than a few weeks or a few months. In the case of construction, major procurement, certain research contracts and similar items, the lag between obligations and expenditures may be 1 or 2 years or even longer.

Balances are not in the form of cash, but are book-

keeping authority for the incurring of obligations or for the making of expenditures. Cash must be provided at the time the expenditures occur.

The unobligated balance for each account or fund represents the difference between the unexpended balance and the net obligations outstanding. Net obligations outstanding represent the unpaid obligations (both those which have accrued into liabilities and those which are undelivered or unperformed) less the accounts receivable and intragovernmental orders for services or material which have been accepted but have not yet become receivables.

RELATIONSHIP OF TRANSACTIONS AND BALANCES

The total amount available—new obligational authority plus balances brought forward and adjustments—is shown on the last of the chapter summary tables, together with the expenditures and other disposition made of the amounts available. The body of the table is arranged to “flow” from start to end of the year; obligations incurred, net, are shown for reference at the end.

Similar information, but arranged to place obligations incurred within the sequence of the table’s flow, is summarized for the Government as a whole in table 6.

Writeoffs, restorations, and other adjustments in availability.—Writeoffs of unused balances of authorizations occur in four ways: (a) rescissions by act of Congress; (b) the automatic lapsing of unobligated balances when an appropriation expires for purposes of obligation; (c) the return of capital and transfer of dividends from revolving funds to the general fund; and (d) adjustments in the obligated balances of expired accounts due to the payment of obligations in smaller amounts than anticipated or to the amendment or canceling of obligations.

Restorations of balances previously written off occur in the case of expired accounts when the balances left for payment of old obligations are insufficient to cover them, due to payments in larger amounts than anticipated, the amendment of obligations, or the discovery of previously unrecorded items.

Obligations incurred, net.—The obligations incurred are stated on a gross basis in the detailed schedules, but are summarized on a net basis, consistent with the method of stating budget expenditures and new obligational authority. Thus, the summary figures are based on total obligations incurred less reimbursements to appropriation accounts, revenues and other receipts of revolving funds, and recoveries of prior obligations.

Authority for expenditures.—Expenditures for the budget year are broken down on two tables in each chapter summary into those coming out of new obligational authority of the same year and those coming out of balances, etc. It is generally assumed that prior year balances available in commingled accounts will be obligated before the new authorizations are obligated, and that expenditures will reflect the liquidation of those obligations on the basis of previous experience.

FORM OF DETAILED MATERIAL

For each appropriation, the budget includes certain detailed material, as follows: (1) appropriation language, if applicable; (2) a schedule of program and financing; (3) a narrative statement on program and performance; (4) a schedule of object classification. An exception occurs in the case of certain permanent appropriations and other older appropriation accounts on which only a residual balance remains; such accounts of a bureau or independent agency are often combined into a single presentation instead of having detailed schedules. In cases where the total obligations fall in a single object class, the object classification is identified in the program and financing schedule, rather than in a separate schedule.

In the case of revolving funds, there is usually the material listed above, together with three additional schedules, covering (5) the sources and application of funds; (6) revenue, expense, and retained earnings; and (7) financial condition. For some intragovernmental revolving funds the program and financing schedule is omitted.

APPROPRIATION LANGUAGE

The language proposed for inclusion in the 1961 appropriation acts is printed at the head of each item requiring action by Congress, except for those items which are not formally recommended at this time but will be proposed for later transmission. The language of the 1960 appropriation acts is used as a base. Following the language are citations to relevant laws and the appropriation act from which the text is taken, as in this example:

ESTABLISHMENT OF METEOROLOGICAL FACILITIES

For an additional amount for the acquisition, establishment, and relocation of [meteorological] operational facilities and related equipment, including the alteration and modernization of existing facilities: [\$2,500,000] \$7,000,000, to remain available until June 30, [1962] 1963: *Provided*, That the appropriations heretofore granted under this head shall be merged with this appropriation. (15 U.S.C. 311, 313, 313a, 317, 325, 328; 72 Stat. 783; Department of Commerce and Related Agencies Appropriation Act, 1960.)

Roman type shows the text used in the 1960 appropriation acts. Italic type indicates proposed new language. Brackets enclose material which it is proposed to omit.

SCHEDULE OF PROGRAM AND FINANCING

This schedule consists of two parts. In the section for program by activities, obligations are classified by purpose, program, or project. This classification, especially tailored for each agency and account, reflects the particular duties and responsibilities for which the money is used. The financing section shows the appropriation provided and other means of financing the program, and the disposition of amounts not used during the year. Only three of the possible entries are illustrated here:

Program and Financing			
	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Upper air observational facilities.....	\$55,728	\$1,470,500	\$233,100
2. Weather surveillance radar.....	183,785	910,100	638,400
3. Surface observational facilities.....	67,783	204,100	3,137,700
4. Construction, remote localities.....	265,653	170,000	245,000
5. Engineering and technical support.....	146,793	157,300	352,100
Total obligations.....	724,740	2,912,000	5,306,300
Financing:			
Comparative transfers to other accounts.....	1,300,000		
Unobligated balance brought forward.....	-1,369,360	-919,620	-507,620
Unobligated balance carried forward.....	919,620	507,620	2,201,320
Appropriation (new obligatory authority).....	1,675,000	2,500,000	7,000,000

Obligations refer to orders placed, contracts awarded, loan agreements made, and services received during the

year, regardless of the time of payment. Appropriations or other obligational authority must be provided by the Congress before obligations can be incurred.

Where the data are available in the accounting system, cost-type budgets are presented. In such cases, figures opposite the activity entries are the value of goods and services consumed in carrying out the program, in the case of operating costs; and they are the value of capital assets received, in the case of capital outlay programs. The program portion of a cost-type budget looks like this:

Program by activities:			
1. Commodity program payments:			
(a) Direct purchases.....	\$125,568,387	\$105,503,400	\$105,503,400
(b) Diversion payments.....	7,860,384		
2. Surplus removal operating expenses.....	2,372,871	2,646,600	2,646,600
3. Marketing agreements and orders.....	1,762,470	1,850,000	1,850,000
Total program costs.....	137,564,112	110,000,000	110,000,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....			
	-16,139,858		
Total program (obligations).....	121,424,254	110,000,000	110,000,000

¹ Includes capital outlay as follows: June 30, 1959, \$38,073; 1960, \$30,000; 1961, \$50,000.

In those cases where the program is principally for procurement or public works, additional columns are often shown to make a more complete presentation. Where there is an accrued expenditure limitation there are additional entries to show the relation of costs to accrued expenditures and the relation of accrued expenditures to obligations. The financing section of a cost-type budget schedule is the same as for any other schedule.

The relation of costs to obligations is summarized in one or two lines on this schedule, but is amplified further in an additional table inserted in the narrative statement which follows. A typical table is as follows:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects).....		\$1,635,099		
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$23,738,918	5,550,525	\$7,086,224	\$7,086,224
Total selected resources at end of year.....	23,738,918	7,086,224	7,086,224	7,086,224
Selected resources at start of year (-).....	-23,738,918	-7,086,224	-7,086,224	-7,086,224
Adjustment of prior year costs and selected resources reported at start of year.....		512,836		
Costs financed from obligations of other years, net (-).....		-16,139,858		

NARRATIVE STATEMENT OF PROGRAM AND PERFORMANCE

The work planned and services proposed to be carried out are described briefly in a narrative statement for each appropriation or fund. Where practicable the narrative statement indicates the expected accomplishment in relation to the financial estimates, and it gives some measures of program and performance. Numbers and program headings in the statements agree with the categories in the statement of program by activities.

SCHEDULE OF OBJECT CLASSIFICATION

There is shown for each account a summary of personal services and a classification of obligations, costs, or accrued expenditures according to a uniform list of objects.

The object classes, 01 to 16, reflect the nature of the things or services purchased, regardless of the purpose or the nature of the program for which they are used.

Permanent positions are those of a full-time nature which are of indefinite duration. Some are filled by persons with temporary appointments. The "number of employees at end of year" represents the number of (a) full-time and regularly scheduled part-time employees in

pay status on the last work day in June, and (b) intermittent employees who work at any time during June. This is the basis for reports of the Civil Service Commission.

Object Classification			
	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	23	15	35
Full-time equivalent of all other positions.....	15	15	30
Average number of all employees.....	15	15	35
Average GS grade and salary.....	8.0 \$6,172	8.1 \$6,278	8.1 \$6,321
01 Personal services:			
Permanent positions.....	\$102,801	\$112,900	\$211,800
Positions other than permanent.....			
Other personal services.....	4,083	4,400	6,700
Total personal services.....	106,884	117,300	218,500
02 Travel.....	35,211	32,000	42,200
03 Transportation of things.....	59,666	108,600	114,500
04 Communication services.....	6		
05 Rents and utility services.....	6,149		4,200
06 Printing and reproduction.....			
07 Other contractual services.....	88,821	481,900	263,000
Services performed by other agencies.....			
08 Supplies and materials.....	43,816	109,200	104,600
09 Equipment.....	231,466	1,696,300	4,173,300
10 Lands and structures.....	146,307	358,900	371,900
11 Grants, subsidies, and contributions.....	6,403	7,800	14,100
12 Pensions, annuities, and insurance claims.....			
13 Refunds, awards, and indemnities.....			
14 Interest.....			
15 Taxes and assessments.....	11		
16 Investments and loans.....			
Total obligations.....	724,740	2,912,000	5,306,300

Average grades and salaries are computed arithmetically. Thus the average salary sometimes falls outside the salary range of the average grade.

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

For all revolving funds, there is shown a presentation of funds applied and provided, other than the investment of Government capital in the fund, net borrowings, and the repayment of capital and dividends.

The statement generally reflects receipts and expenditures on an accrual basis; an adjustment is made for changes in selected working capital (current assets, other than cash and inventories for sale or manufacture, less current liabilities) in either section of the statement as appropriate. Because of such an adjustment, the gross expenditures shown on the statement, less the receipts from operations, equal budget expenditures on a check-issued basis, as in the following example:

Sources and Application of Funds (Operations)			
	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	\$44,082	\$42,500	\$22,000
Expense, excluding depreciation.....	506,601	521,500	543,000
Increase in selected working capital.....	3,054		
Total gross expenditures.....	553,737	564,000	565,000
Receipts from operations (funds provided):			
Revenue.....	517,021	550,000	555,000
Budget expenditures.....	36,716	14,000	10,000

Because the statement is built on the basis of transactions which affect working capital, it excludes depreciation, losses on loans, and other "nonfund" transactions.

STATEMENT OF REVENUE, EXPENSE, AND RETAINED EARNINGS

For revolving funds there is also presented a statement of revenue and expense, computed on an accrual basis, and the resulting net income or loss for the year. This

statement is usually on a full accrual basis, including sums for depreciation, provisions for losses on receivables, etc. Where a fund consists of several programs, revenue and expense may be identified for each; otherwise they are shown only for the fund as a whole, as here illustrated:

Revenue, Expense, and Retained Earnings			
Revenue.....	\$517,021	\$550,000	\$555,000
Expense.....	518,396	535,000	559,000
Net income or loss (-) for the year.....	-1,375	15,000	-4,000
Retained earnings, beginning of year.....	177,190	175,815	190,815
Retained earnings, end of year.....	175,815	190,815	186,815

The statement includes an analysis of the retained earnings or the cumulative deficit. This analysis shows any additions to earnings, other than net income for the year, any charges made against retained earnings, and the balance of profits kept in the enterprise as of the end of the year (whether in the form of cash, inventories, other current assets, or fixed assets).

STATEMENT OF FINANCIAL CONDITION

For each revolving fund there is presented a balance sheet of assets, liabilities, and investment of the Government at the close of the year, as in this example:

Financial Condition			
Assets:			
Cash with Treasury.....	\$71,587	\$57,587	\$47,587
Accounts receivable, net.....	7,981	7,981	7,981
Supplies.....	11,362	11,362	11,362
Equipment, net.....	121,001	150,001	156,001
Total assets.....	211,931	226,931	222,931
Liabilities:			
Current.....	33,331	33,331	33,331
Government investment:			
Non-interest-bearing capital: Start and end of year.....	2,785	2,785	2,785
Retained earnings.....	175,815	190,815	186,815
Total Government investment.....	178,600	193,600	189,600

The balance sheet excludes balances of appropriations or borrowing authorizations which have not yet been paid into the revolving fund. The section on investment of the Government is divided into three subsections as appropriate: (a) interest-bearing capital, (b) non-interest-bearing capital, and (c) retained earnings.

Because the balance sheet is on an accrual basis, it does not reflect the obligations incurred which have not yet matured into liabilities, nor does it reflect unfilled customer orders received and available as a basis for obligation in the case of intragovernmental revolving funds. Therefore, there is appended to the balance sheet a schedule which shows the unobligated balances, relating them to the unexpended balances and showing the computation of the net obligated balance as in the following example:

Status of Certain Fund Balances				
	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury.....	\$108,304	\$71,587	\$57,587	\$47,587
Obligated balance, net:				
Current liabilities.....	36,230	33,331	33,331	33,331
Unpaid undelivered orders.....	14,808	5,550	5,550	5,550
Accounts receivable, net (-).....	-9,620	-7,981	-7,981	-7,981
Total obligated balance.....	41,418	30,900	30,900	30,900
Unobligated balance.....	66,886	40,687	26,687	16,687

TABLE 6

SUMMARY OF BUDGET AUTHORIZATIONS, OBLIGATIONS, EXPENDITURES, AND BALANCES

Based on existing and proposed legislation

[In millions]

Description	1959 enacted	1960 estimate	1961 estimate
Current authorizations:			
Appropriations	\$67,381	\$67,331	\$68,214
Appropriations to liquidate contract authorizations	(283)	(385)	(395)
Authorizations to expend from debt receipts	5,181	1,571	538
Contract authorizations	11	5	-----
Reappropriations	96	153	23
Total current authorizations	72,670	69,060	68,775
Permanent authorizations:			
Appropriations	8,101	9,876	10,166
Authorizations to expend from debt receipts	188	158	8
Contract authorizations	349	597	437
Reappropriations	57	30	30
Total permanent authorizations	8,695	10,661	10,641
Total new obligational authority	81,365	79,721	79,415
Unobligated balances brought forward, start of year	34,929	34,706	33,340
Appropriation available in prior year (—)	—512	—472	—526
Appropriation available from subsequent year	472	526	526
Unobligated balances carried forward, end of year (—)	—34,706	—33,340	—30,378
Balances no longer available for obligation (—)	—902	—1,179	—654
Obligations incurred, net	80,649	79,962	81,723
Obligated balances brought forward, start of year	37,142	36,922	38,487
Adjustment of obligations in expired accounts	—172	—14	—6
Obligated balances carried forward, end of year (—)	—36,922	—38,487	—40,388
Budget expenditures	80,697	78,383	79,816
Expenditures are distributed as follows:			
Out of new obligational authority	80,697	78,383	53,550
Out of balances of prior authorizations			26,266

TABLE 7
SUMMARY OF NEW OBLIGATIONAL AUTHORITY
BY TYPE OF AUTHORIZATION AND AGENCY

Based on existing and proposed legislation

[In millions]

Description	1959 enacted	1960 estimate			1961 estimate		
		Enacted	Proposed for later trans- mission	Total	Recom- mended in this document	Proposed for later trans- mission	Total
CURRENT AUTHORIZATIONS							
Appropriations:							
Legislative branch.....	\$109	\$110		\$110	\$116		\$116
The judiciary.....	48	48	\$1	49	53		53
Executive Office of the President.....	55	63	3	66	87		87
Funds appropriated to the President:							
Mutual security—economic.....	1,933	1,926		1,926	2,175		2,175
Other.....	121	18		18	16		16
Independent offices:							
Atomic Energy Commission.....	2,645	2,650		2,650	2,643		2,643
National Aeronautics and Space Administration.....	305	501	23	524	802		802
Veterans Administration.....	5,071	5,043	114	5,157	5,464		5,464
Other.....	1,194	1,146	\$ 6	1,151	1,331	(1)	1,331
General Services Administration.....	496	277	6	283	506		506
Housing and Home Finance Agency.....	147	150	13	163	182		182
Department of Agriculture.....	4,926	4,082	\$ 725	4,807	4,255	\$32	4,287
Department of Commerce.....	434	508	32	540	505	57	562
Department of Defense—Military.....	42,626	41,892	25	41,917	42,523	24	42,547
Department of Defense—Civil.....	866	922	3	926	977		977
Department of Health, Education, and Welfare.....	3,245	3,456	21	3,477	3,421		3,421
Department of the Interior.....	633	595	7	603	668		668
Department of Justice.....	253	266	(1)	266	281		281
Department of Labor.....	597	549	1	550	555		555
Post Office Department.....	625	656		656	603	\$ — 554	49
Department of State.....	242	219	\$ 45	264	247	49	296
Treasury Department.....	777	1,066	(1)	1,066	843		843
District of Columbia.....	33	62		62	53		53
Allowance for contingencies.....			100	100		300	300
Total appropriations.....	67,381	66,205	1,125	67,331	68,306	—92	68,214
Appropriations to liquidate contract authorizations:							
Legislative branch.....	(28)	(19)		(19)	(16)		(16)
Independent offices.....	(103)	(106)	(11)	(117)	(149)		(149)
Housing and Home Finance Agency.....	(50)	(90)	(50)	(140)	(151)		(151)
Department of Agriculture.....	(26)	(28)		(28)	(30)		(30)
Department of Commerce.....	(33)	(35)		(35)	(1)		(1)
Department of Health, Education, and Welfare.....	(1)	(1)		(1)	(1)		(1)
Department of the Interior.....	(42)	(45)		(45)	(48)		(48)
Total authorizations to liquidate contract authorizations.....	(283)	(324)	(61)	(385)	(395)		(395)
Authorizations to expend from debt receipts:							
Independent offices:							
Veterans Administration.....		100		100			
Other.....		750		750			
Housing and Home Finance Agency.....		275		275	170		170
Department of Agriculture.....	631	446		446	367		367
Department of the Interior.....	(1)				1		1
Treasury Department.....	4,550						
Total authorizations to expend from debt receipts.....	5,181	1,571		1,571	538		538
Contract authorizations:							
Legislative branch.....	11	5		5			
Reappropriations:							
Legislative branch.....	(1)	(1)		(1)			
The judiciary.....		(1)		(1)			
Independent offices:							
Atomic Energy Commission.....	78	152		152	23		23
Other.....	(1)						
Department of Agriculture.....	18	1		1			
Department of Commerce.....	(1)						

¹ Less than one-half million dollars.

² Proposed postal rate increases.

³ Includes amounts for special foreign currency programs recommended in this document.

TABLE 7—Continued

SUMMARY OF NEW OBLIGATIONAL AUTHORITY—Continued

BY TYPE OF AUTHORIZATION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	1959 enacted	1960 estimate			1961 estimate		
		Enacted	Proposed for later trans- mission	Total	Recom- mended in this document	Proposed for later trans- mission	Total
CURRENT AUTHORIZATIONS—Continued							
Reappropriations—Continued							
Department of Health, Education, and Welfare	(1)						
Department of the Interior	(1)	(1)		(1)	(1)		(1)
Total reappropriations	\$96	\$153		\$153	\$23		\$23
Total current authorizations	72,670	67,934	\$1,125	69,060	68,867	—\$92	68,775
PERMANENT AUTHORIZATIONS							
Appropriations:							
Independent offices:							
Veterans Administration	1	1		1	1		1
Other	2	2		2	3		3
General Services Administration	1	1		1	2		2
Department of Agriculture	294	346		346	420		420
Department of Defense—Civil	2	2		2	2		2
Department of Health, Education, and Welfare	10	10		10	10		10
Department of the Interior	91	101		101	100		100
Department of Justice	(1)	(1)		(1)			
Department of State	3	3		3	3		3
Treasury Department	7,697	9,410		9,410	9,625		9,625
Total appropriations	8,101	9,876		9,876	10,166		10,166
Authorizations to expend from debt receipts:							
Independent offices: Veterans Administration	150	150		150			
Housing and Home Finance Agency	10	5		5			
Department of Agriculture	27	3		3	8		8
Department of Commerce	1						
Total authorizations to expend from debt receipts	188	158		158	8		8
Contract authorizations:							
Independent offices	115	129		129	135		135
Housing and Home Finance Agency	101	350		350	300		300
Department of Agriculture	30	30		30			
Department of Commerce	36	39		39	1		1
Department of Health, Education, and Welfare	(1)	(1)		(1)	(1)		(1)
Department of the Interior	67	49		49	1		1
Total contract authorizations	349	597		597	437		437
Reappropriations:							
Department of Defense—Military	57	30		30	30		30
Total permanent authorizations	8,695	10,661		10,661	10,641		10,641
Total new obligational authority	81,365	78,596	1,125	79,721	79,507	—92	79,415

¹ Less than one-half million dollars.

TABLE 8
SUMMARY OF BALANCES AVAILABLE AT START OF YEAR

Based on existing and proposed legislation

[In millions]

Description	1959 actual		1960 actual		1961 estimate		1962 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT								
Appropriations:								
Legislative branch.....	\$34	\$19	\$40	\$26	\$52	\$1	\$14	\$2
The judiciary.....	3		3		4		4	
Executive Office of the President.....	37	17	42	1	42	(1)	51	
Funds appropriated to the President:								
Mutual security—economic.....	1,572	12	1,479	29	1,492	15	1,579	
Other.....	11	28	14	24	19	9	18	1
Independent offices.....	1,544	528	1,821	548	2,415	225	2,684	200
General Services Administration.....	148	169	161	261	192	29	261	14
Housing and Home Finance Agency.....	3	1	4	1	4	1	4	1
Department of Agriculture.....	147	341	143	332	154	319	173	311
Department of Commerce.....	197	88	232	120	333	42	376	31
Department of Defense—Military.....	24,948	7,918	23,878	7,565	24,714	6,678	25,208	6,171
Department of Defense—Civil.....	124	92	166	109	247	47	296	13
Department of Health, Education, and Welfare.....	788	151	906	186	1,065	129	1,016	95
Department of the Interior.....	199	50	184	59	199	19	221	11
Department of Justice.....	20	1	15	(1)	19	1	23	3
Department of Labor.....	8	618	14	171	12		28	
Department of State.....	83	13	66	5	61	1	77	1
Treasury Department.....	106	5	92	12	88	201	96	201
District of Columbia.....		45		48		75		81
Total appropriations.....	29,972	10,096	29,262	9,495	31,111	7,791	32,130	7,135
Authorizations to expend from debt receipts:								
Funds appropriated to the President:								
Mutual security—economic.....	92	108	126	74	148	51	181	19
Other.....	198	179	54	96	74	17	45	—43
Independent offices.....	1,289	8,007	911	7,952	1,413	8,220	1,766	7,725
Housing and Home Finance Agency.....	2,791	5,524	2,858	4,122	1,968	4,584	2,084	4,142
Department of Agriculture.....	1,270	2,971	1,165	1,776	1,233	807	1,026	445
Department of Defense—Civil.....					5	5	10	
Department of the Interior.....			(1)		(1)		(1)	
Treasury Department.....	3	2,787	2	5,962	2	5,962	2	5,962
Total authorizations to expend from debt receipts.....	5,643	19,576	5,116	19,982	4,843	19,646	5,114	18,251
Contract authorizations:								
Legislative branch.....	1	102	(1)	61	25	22	15	16
Independent offices.....	56	58	82	48	105	36	101	24
Housing and Home Finance Agency.....	266	828	505	640	625	730	825	680
Department of Agriculture.....	8	27	8	30	11	30	11	
Department of Commerce.....	19	41	21	42	31	36	2	
Department of Health, Education, and Welfare.....	1	1	1	1	(1)	1	(1)	
Department of the Interior.....	25	31	14	66	20	63	21	15
Total contract authorizations.....	376	1,089	633	889	818	919	976	735
Revolving and management funds:								
Legislative branch.....	1	16	—2	16	—1	14	(1)	15
Executive Office of the President.....	(1)	1	(1)	1	(1)	1	1	1
Funds appropriated to the President:								
Mutual security—economic.....	101	198	556	226	954	203	1,342	215
Other.....	26		122		14		17	
Independent offices.....	263	577	229	756	272	824	235	818
General Services Administration.....	24	26	17	50	25	26	22	22
Housing and Home Finance Agency.....	201	552	228	619	204	704	204	817
Department of Agriculture.....	30	67	37	112	37	122	37	116
Department of Commerce.....	—2	29	(1)	31	(1)	31	2	33
Department of Defense—Military.....	13	2,601	392	2,428	—285	2,256	—251	2,065
Department of Defense—Civil.....	46	24	40	30	44	17	36	16
Department of Health, Education, and Welfare.....	2	1	2	1	3	1	3	1
Department of the Interior.....	11	28	25	24	35	39	47	22
Department of Justice.....	—13	18	—6	11	—6	10	—5	10
Department of Labor.....	1	1	1	2	1	2	2	2
Post Office Department.....	434	27	257	34	309	23	309	12

¹ Less than one-half million dollars.

TABLE 8—Continued

SUMMARY OF BALANCES AVAILABLE AT START OF YEAR—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	1959 actual		1960 actual		1961 estimate		1962 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT—Continued								
Revolving and management funds—Continued								
Department of State.....	(1)	(1)	(1)	(1)	(1)		(1)	
Treasury Department.....	\$13	\$3	\$10	(1)	\$9	—\$1	\$7	(1)
Total revolving and management funds.....	1, 150	4, 168	1, 911	\$4, 341	1, 618	4, 274	2, 006	\$4, 163
Total balances of authorizations enacted or recommended in this document.....	37, 142	34, 929	36, 922	34, 706	38, 389	32, 630	40, 227	30, 285
BALANCES OF AUTHORIZATIONS PROPOSED FOR LATER TRANSMISSION								
Appropriations:								
Executive Office of the President.....					1			
Independent offices.....					23	2	5	1
Housing and Home Finance Agency.....					5		2	
Department of Agriculture.....					30	675	17	
Department of Commerce.....					(1)		8	39
Department of Defense—Military.....					2		2	
Department of Defense—Civil.....					(1)			
Department of Health, Education, and Welfare.....					5			
Department of the Interior.....					3		1	
Department of Justice.....					(1)		(1)	
Department of Labor.....					(1)			
Department of State.....					4	33	2	26
Treasury Department.....					(1)			
Allowance for contingencies.....					25		125	
Total appropriations.....					98	710	162	66
Revolving and management funds:								
Independent Offices.....								28
Total balances available at start of year.....	37, 142	34, 929	36, 922	34, 706	38, 487	33, 340	40, 388	30, 378
RECAPITULATION								
Appropriations.....	\$29, 972	\$10, 096	\$29, 262	\$9, 495	\$31, 209	\$8, 501	\$32, 292	\$7, 201
Authorizations to expend from debt receipts.....	5, 643	19, 576	5, 116	19, 982	4, 843	19, 646	5, 114	18, 251
Contract authorizations.....	376	1, 089	633	889	818	919	976	735
Revolving and management funds.....	1, 150	4, 168	1, 911	4, 341	1, 618	4, 274	2, 006	4, 191
Total balances available at start of year.....	37, 142	34, 929	36, 922	34, 706	38, 487	33, 340	40, 388	30, 378

1 Less than one-half million dollars.

TABLE 9
SUMMARY OF EXPENDITURES OF PUBLIC ENTERPRISE FUNDS

Based on existing and proposed legislation

[In millions. The budget expenditures shown in this table are included in the budget expenditures of the respective functions and agencies in all tables of the budget.]

Description	GROSS EXPENDITURES			RECEIPTS FROM OPERATIONS			BUDGET EXPENDITURES		
	1959	1960	1961	1959	1960	1961	1959	1960	1961
Enacted or recommended in this document:									
Executive Office of the President.....	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Funds appropriated to the President:									
Mutual security—economic.....	\$67	\$191	\$338	\$2	\$18	\$41	\$65	\$173	\$297
Other.....	320	229	132	81	60	43	239	170	89
Independent offices:									
Veterans Administration.....	246	401	185	150	188	217	96	213	—32
Other.....	1,344	1,399	1,412	857	1,362	1,276	487	37	137
General Services Administration.....	4	2	(¹)	6	6	2	—2	—4	—2
Housing and Home Finance Agency.....	2,291	2,881	2,374	1,151	2,590	1,892	1,140	292	482
Department of Agriculture.....	6,403	6,706	6,213	1,962	3,216	2,969	4,442	3,490	3,245
Department of Commerce.....	10	11	7	12	13	10	—2	—2	—3
Department of Defense—Military.....	68	97	104	52	65	63	15	32	42
Department of Defense—Civil.....	110	116	115	114	110	107	—4	6	8
Department of Health, Education, and Welfare.....	3	4	4	3	4	4	(¹)	(¹)	(¹)
Department of the Interior.....	89	99	139	31	49	59	57	49	80
Department of Labor.....	4	3	3	7	5	5	—3	—2	—2
Post Office Department.....	3,859	3,910	4,098	3,085	3,343	3,544	774	567	554
Treasury Department.....	1	(¹)	(¹)	13	9	9	—11	—9	—8
Total.....	14,819	16,049	15,127	7,526	11,037	10,241	7,293	5,012	4,886
Proposed for later transmission:									
Independent offices.....						28			—28
Housing and Home Finance Agency.....		58	3					58	3
Department of Agriculture.....			675						675
Post Office Department.....						554			—554
Total.....		58	678			582		58	96
Grand total.....	14,819	16,107	15,805	7,526	11,037	10,822	7,293	5,070	4,982

¹ Less than one-half million dollars.

DEPARTMENT OF AGRICULTURE

The Department of Agriculture is charged with a wide range of governmental responsibilities relating to agriculture and rural people. Of long standing are the research, educational, and regulatory activities pertaining to agricultural matters. Of more recent origin are such programs as those providing special credit facilities, price supports, and conservation assistance—programs that account for the major part of the Department's budget. While most of the Department's activities are of special benefit to farmers and rural people, many of them are of substantial benefit also to a much wider group, including consumers of agricultural commodities generally.

New obligational authority requested for the Department of Agriculture for the fiscal year 1961 totals \$5,081 million, compared with \$5,633 million for 1960. The reduction reflects mainly a smaller request for the Commodity Credit Corporation, for which the 1960 estimate includes an anticipated supplemental appropriation of \$675 million to restore part of the Corporation's capital impairment. The 1961 request for activities other than those financed through the Corporation totals approximately

the same as for 1960; the principal increases are for the conservation reserve program and the permanent appropriation for the removal of surplus agricultural commodities, and the principal decreases are for the Rural Electrification Administration and the Farmers Home Administration.

Expenditures for the fiscal year 1961 are estimated at \$6,201 million, compared with \$5,706 million for 1960. Commodity Credit Corporation expenditures are estimated at \$3,906 million in 1961 compared with \$3,500 million in 1960. Of the total for 1961, almost 64% is for stabilization of farm prices and farm income, over 12% is for conservation and development of agricultural land and water resources, 9% is for credit programs, and 5% is for research and other agricultural services. The remaining 10% is for activities that are classified in functions other than agriculture and agricultural resources, such as emergency famine relief abroad and the school lunch program. Expenditures and new obligational authority for the Department are shown by function in the following table:

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In thousands]

Function and subfunction	New obligational authority			Expenditures		
	1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
International affairs and finance:						
152 Economic and technical development.....	\$119,270	\$104,508	\$115,000	\$97,928	\$115,000	\$120,000
Labor and welfare:						
217 Other welfare services and administration.....	202,045	220,388	224,668	218,461	233,544	234,119
Agriculture and agricultural resources:						
351 Stabilization of farm prices and farm income.....	3,854,084	3,573,651	3,046,032	5,126,336	3,499,255	3,949,620
352 Financing farm ownership and operation.....	279,425	239,445	216,098	245,942	235,507	221,478
353 Financing rural electrification and rural telephones.....	419,101	249,632	199,632	314,840	334,421	354,595
354 Conservation and development of agricultural land and water resources.....	559,128	709,647	772,015	546,657	739,533	764,563
355 Research and other agricultural services.....	307,311	324,610	333,321	291,138	298,198	324,889
Total, agriculture and agricultural resources.....	5,419,049	5,096,985	4,567,098	6,524,913	5,106,914	5,615,145
Natural resources:						
402 Conservation and development of forest resources.....	185,465	210,839	174,636	189,506	207,606	205,877
Commerce and housing:						
517 Other aids to housing.....				60,552	42,900	25,700
Total, Department of Agriculture.....	5,925,829	5,632,720	5,081,402	7,091,361	5,705,964	6,200,841

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
AGRICULTURAL RESEARCH SERVICE									
Current authorizations:									
Salaries and expenses.....	355	\$136,634	\$138,848	\$139,320	\$138,482	\$131,790	\$139,751	\$120,449	\$19,302
Reappropriation.....	355	346	1,000						
Salaries and expenses (special foreign currency program).....	355			15,132			3,000	3,000	
Construction of facilities.....	355			900			60	60	
State experiment stations.....	355	31,804	31,804	32,804	31,757	31,724	32,803	32,642	161
Diseases of animals and poultry: Reappropriation.....	355	30			46	129	15		15
Animal disease laboratory facilities.....	355				3,597	8,339	4,092		4,092
Research facilities.....	355				61	130			
Research on strategic and critical agricultural materials.....	355				1	6			
Permanent authorizations:									
Alterations and improvements, animal quarantine station, Clifton, N.J. (indefinite special fund).....	355		30			30			
Intragovernmental funds:									
Working capital fund.....	355				-110	22			
Advances and reimbursements.....	355					1			
Proposed for later transmission:									
Under existing legislation: Salaries and expenses (special foreign currency program) ¹	355		17,638				5,000		5,000
Total, Agricultural Research Service.....		168,814	189,320	188,156	173,834	172,171	184,721	156,151	28,570
EXTENSION SERVICE									
Current authorizations:									
Cooperative extension work, payments and expenses.....	355	63,719	64,123	67,425	63,185	64,100	67,439	66,020	1,419
FARMER COOPERATIVE SERVICE									
Current authorizations:									
Salaries and expenses.....	355	618	616	645	626	613	641	589	52
Intragovernmental funds:									
Advances and reimbursements.....	355				4	3			
Total, Farmer Cooperative Service.....		618	616	645	630	616	641	589	52
SOIL CONSERVATION SERVICE									
Current authorizations:									
Conservation operations.....	354	80,883	82,322	82,882	84,406	80,340	81,300	76,100	5,200
Watershed protection.....	354	25,500	22,750	27,750	19,616	26,000	31,000	4,200	26,800
Flood prevention.....	354	18,000	18,000	15,000	15,570	17,500	15,500	5,400	10,100
Great Plains conservation program.....	354	10,000	10,000	10,000	5,395	6,500	9,500		9,500
Water conservation and utilization projects.....	354	335	75		260	76	63		63
Total, Soil Conservation Service.....		134,718	133,147	135,632	125,247	130,416	137,363	85,700	51,663
AGRICULTURAL CONSERVATION PROGRAM SERVICE									
Current authorizations:									
Agricultural conservation program.....	354	235,000	241,500	242,600	236,091	238,000	240,000	217,285	22,715
Emergency conservation measures: Reappropriation.....	354	18,078			3,211	5,000	5,000		5,000
Total, Agricultural Conservation Program Service.....		253,078	241,500	242,600	239,302	243,000	245,000	217,285	27,715
AGRICULTURAL MARKETING SERVICE									
Current authorizations:									
Marketing research and service.....	355	37,967	41,417	43,142	39,023	39,653	42,814	39,079	3,735
Payments to States and possessions.....	355	1,160	1,195	1,195	1,160	1,195	1,195	1,195	
School lunch program.....	217	110,000	110,000	110,000	143,793	153,686	150,461	149,300	1,161
Permanent authorizations:									
School lunch program.....	217	35,000	43,657	40,000					
Perishable Agricultural Commodities Act fund (indefinite special fund).....	355	673	670	670	695	740	773	417	356
Removal of surplus agricultural commodities (indefinite).....	351	196,150	200,302	270,661	140,950	110,000	110,000		110,000
Intragovernmental funds:									
Advances and reimbursements.....	355				26	24			
Total, Agricultural Marketing Service.....		380,950	397,242	465,668	325,647	305,298	305,243	189,991	115,252

¹ Language to provide this appropriation is recommended in this document.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
FOREIGN AGRICULTURAL SERVICE									
Current authorizations:									
Salaries and expenses.....	355	\$4,234	\$3,518	\$4,637	\$4,142	\$6,324	\$6,413	\$5,975	\$438
Salaries and expenses (special foreign currency program).....	355			14,622			5,571	5,571	
Permanent authorizations:									
Salaries and expenses (indefinite).....	355		2,493	2,539					
Proposed for later transmission:									
Under existing legislation: Salaries and expenses (special foreign currency program) ¹	355		9,309				5,000		5,000
Total, Foreign Agricultural Service.....		4,234	15,320	21,798	4,142	6,324	16,984	11,546	5,438
COMMODITY EXCHANGE AUTHORITY									
Current authorizations:									
Salaries and expenses.....	355	895	910	941	929	906	935	885	50
COMMODITY STABILIZATION SERVICE									
Current authorizations:									
Acreage allotments and marketing quotas.....	351	41,715	39,135	40,135	41,770	39,180	40,154	40,104	50
Sugar Act program.....	351	76,000	71,500	74,500	67,275	74,177	78,421	69,826	8,595
Conservation reserve program.....	354	171,332	335,000	361,783	170,732	335,049	361,800	361,000	800
Acreage reserve.....	351	609,450			608,821	218			
Intragovernmental funds:									
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938.....	355				-449				
Local administration, sec. 388, Agricultural Adjustment Act of 1938.....	355				-2,176	3,379			
Proposed for later transmission:									
Under existing legislation: Acreage allotments and marketing quotas.....	351		1,667			1,667			
Under proposed legislation: Conservation reserve program.....	354			32,000			32,000	32,000	
Total, Commodity Stabilization Service.....		898,497	447,302	508,418	885,973	453,670	512,375	502,930	9,445
COMMODITY CREDIT CORPORATION (FUND)									
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK									
Public enterprise funds:									
Price support, supply, and related programs:									
Restoration of capital impairment (current appropriation).....	351	1,703,355	1,368,693	1,250,332	2,774,910	1,827,677	1,604,248		
Limitation on administrative expenses.....		(38,960)	(41,342)	(47,770)					
Special milk program:									
Restoration of capital impairment (current appropriation).....	217	57,045	66,731	74,668	74,668	79,858	83,658		
Limitation on administrative expenses.....		(640)	(658)	(658)					
Proposed for later transmission:									
Under existing legislation: Price support, supply, and related programs:									
Partial restoration of capital impairment as of June 30, 1959 (current appropriation).....	351		675,000				675,000		
Limitation on administrative expenses.....			(1,933)						
Total, price support, supply, and related programs and special milk.....		1,760,400	2,110,424	1,325,000	2,849,578	1,907,535	2,362,906		
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION									
Public enterprise funds:									
Current appropriations unless otherwise indicated:									
Reimbursement to Commodity Credit Corporation for—								2,344,041	1,562,420
International Wheat Agreement.....	351	80,800	63,875	49,042	48,303	49,042	68,115		
Emergency famine relief to friendly peoples.....	152	119,270	104,508	115,000	97,928	115,000	120,000		
Sales of surplus agricultural commodities for foreign currencies.....	351	1,033,515	968,016	881,000	1,022,036	1,055,131	1,172,242		
Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed.....	351	19	35	35	17	35	35		
Transfer of bartered materials to supplemental stockpile.....	351	82,250	129,000	422,950	314,728	237,222	126,700		
Animal disease eradication activities.....	355	19,390	1,057		1,057	-18			
Grading and classing activities.....	355	1,511	1,607	715	525	715	715		
Acreage reserve.....	351				63,731	5,288			
Conservation reserve program.....	354				4,376	29,768			
National Wool Act (permanent indefinite appropriation).....	351	24,453	50,050	51,000	20,026	93,511	70,348		
Loans to Secretary of Agriculture for conservation purposes.....	354				7,000	1,300	-11,600		
Military housing (Public Law 84-161, barter and exchange).....	351				31,498	5,491	-3,000		
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.....	351				400	86			
Total, special activities financed by Commodity Credit Corporation.....		1,361,208	1,318,148	1,519,742	1,611,625	1,592,571	1,543,555		
Total, Commodity Credit Corporation (fund).....		3,121,608	3,428,572	2,844,742	4,461,203	3,500,106	3,906,461	2,344,041	1,562,420

¹ Language to provide this appropriation is recommended in this document.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless other- wise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
FEDERAL CROP INSURANCE CORPORATION									
Current authorizations:									
Operating and administrative expenses.....	351	\$6,377	\$6,377	\$6,377	\$6,418	\$7,372	\$6,348	\$5,879	\$469
Public enterprise funds:									
Federal Crop Insurance Corporation fund.....	351				-14,548	-6,842	1,009	-----	1,009
Limitation on administrative expenses.....		(2,297)	(2,330)	(2,830)					
Total, Federal Crop Insurance Corporation.....		6,377	6,377	6,377	-8,129	530	7,357	5,879	1,478
RURAL ELECTRIFICATION ADMINISTRATION									
Current authorizations:									
Loan authorizations (authorization to expend from debt receipts).....	353	409,500	240,000	190,000	304,987	325,000	345,000	42,000	303,000
Salaries and expenses.....	353	9,601	9,632	9,632	9,853	9,421	9,595	8,941	654
Total, Rural Electrification Administration.....		419,101	249,632	199,632	314,840	334,421	354,595	50,941	303,654
FARMERS HOME ADMINISTRATION									
Current authorizations:									
Loan authorizations (authorization to expend from debt receipts):									
Farm ownership, farm operating, and soil and water conservation....	352	221,500	206,000	177,000	218,492	208,585	177,649	174,800	2,849
Farm housing.....	517				60,552	42,900	25,700		25,700
Salaries and expenses.....	352	31,190	30,745	31,468	32,277	30,500	31,511	29,487	2,024
Public enterprise funds:									
Disaster loans, etc., revolving fund.....	352				-31,060	-6,725	4,622		4,622
Farm tenant-mortgage insurance fund (indefinite permanent authori- zation to expend from debt receipts).....	352	26,735	2,700	7,630	26,233	3,147	7,696	7,630	66
Total, Farmers Home Administration.....		279,425	239,445	216,098	306,494	278,407	247,178	211,917	35,261
OFFICE OF THE GENERAL COUNSEL									
Current authorizations:									
Salaries and expenses.....	355	3,209	3,162	3,359	3,298	3,162	3,351	3,186	165
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses.....	355	2,856	2,881	2,900	2,920	2,875	2,905	2,739	166
Intragovernmental funds:									
Working capital fund, Department of Agriculture.....	355				32	-7	9		9
Total, Office of the Secretary.....		2,856	2,881	2,900	2,952	2,868	2,914	2,739	175
OFFICE OF INFORMATION									
Current authorizations:									
Salaries and expenses.....	355	1,433	1,432	1,479	1,473	1,473	1,514	1,245	269
LIBRARY									
Current authorizations:									
Salaries and expenses.....	355	832	900	896	834	890	893	840	53
FOREST SERVICE									
Current authorizations:									
Forest protection and utilization.....	402	117,166	108,670	116,826	116,776	110,200	116,740	103,740	13,000
Cooperative range improvements (special fund).....	402	700	700	700					
Forest roads and trails (liquidation of contract authorization).....	402	(26,000)	(28,000)	(30,000)	35,479	30,225	30,000		30,000
Access roads.....	402		1,000	1,000		1,000	1,000	1,000	
Acquisition of lands for national forests:									
Superior National Forest.....	402			1,000	603	132	720	690	30
Special acts (indefinite special fund).....	402	10	10	10	1	10	10	10	
Cache National Forest.....	402	50	50		33	50	50		50
Weeks Act.....	402				31				
Assistance to States for tree planting.....	402				395	25	2		2
State and private forestry cooperation.....	402				-29				

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless other- wise specified)			BUDGET EXPENDITURES				
		1959 enacted	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate		
							Total	From new obligational authority	From prior authority
FOREST SERVICE—Continued									
Permanent authorizations:									
Forest roads and trails: Contract authorization	402	\$30,000	\$30,000	-----					
Expenses, brush disposal (indefinite special fund)	402	5,796	6,500	\$6,500	\$4,911	\$5,000	\$5,800	\$2,000	\$3,800
Roads and trails for States, national forests fund (indefinite special fund)	402	8,885	11,860	13,640	8,885	11,860	13,640	13,640	-----
Miscellaneous permanent appropriations:									
Forest fire prevention (indefinite special fund)	402	15	20	20	25	20	20	18	2
Restoration of forest lands and improvements (indefinite special fund) ..	402	13	100	100	5	70	95	65	30
Payments to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund (indefinite special fund)	402	48	121	121	48	121	121	121	-----
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special fund)	402	460	500	500	460	500	500	500	-----
Payments to school funds, Arizona and New Mexico, Act of June 20, 1910 (receipt limitation) (indefinite)	402	117	114	114	117	114	114	114	-----
Payments to States and Territories from the national forests fund (indefinite special fund)	402	22,205	29,669	34,105	22,205	29,669	34,105	34,105	-----
Construction of improvements, Salt Lake City, Utah (indefinite special fund)	402		25	-----		19	6	-----	6
Intragovernmental funds:									
Working capital fund	402			-----	—439	91	—46	-----	—46
Proposed for later transmission:									
Under existing legislation: Forest protection and utilization	402		21,500	-----		18,500	3,000	-----	3,000
Total, Forest Service		185,465	210,839	174,636	189,506	207,606	205,877	156,003	49,874
Total new obligational authority and budget expenditures		5,925,829	5,632,720	5,081,402	7,091,361	5,705,964	6,200,841	4,007,888	2,192,953
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		\$4,925,825	\$4,081,794	\$4,254,802	\$7,091,361	\$5,685,797	\$5,480,841	\$3,975,888	\$1,501,953
Appropriations to liquidate contract authorizations		(26,000)	(28,000)	(30,000)					
Authorizations to expend from debt receipts		631,000	446,000	367,000					
Reappropriations		18,454	1,000	-----					
Permanent authorizations:									
Appropriations		293,815	346,112	419,970					
Authorizations to expend from debt receipts		26,735	2,700	7,630					
Contract authorizations		30,000	30,000	-----					
Proposed for later transmission:									
Appropriations			725,114	32,000		20,167	720,000	32,000	688,000
Total new obligational authority and budget expenditures		5,925,829	5,632,720	5,081,402	7,091,361	5,705,964	6,200,841	4,007,888	2,192,953

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1959	1960	1961	1959	1960	1961	1959	1960	1961
COMMODITY CREDIT CORPORATION (FUND)										
Price support, supply, and related programs-----	351	\$4,465,505	\$4,681,117	\$4,273,219	\$1,690,595	\$2,853,440	\$2,668,971	\$2,774,910	\$1,827,677	\$1,604,248
Proposed for later transmission-----	351			675,000						675,000
Special milk program-----	217	75,933	81,000	85,000	1,265	1,142	1,342	74,668	79,858	83,658
Total, price support, supply, and related programs and special milk-----		4,541,438	4,762,117	5,033,219	1,691,860	2,854,582	2,670,313	2,849,578	1,907,535	2,362,906
Special activities financed by Commodity Credit Corporation:										
International affairs and finance: Economic and technical development-----	152	97,928	115,000	120,000				97,928	115,000	120,000
Agriculture and agricultural resources:										
Stabilization of farm prices and income-----	351	1,634,480	1,694,103	1,636,300	133,740	248,297	201,860	1,500,740	1,445,806	1,434,440
Conservation and development of agricultural land and water resources-----	354	44,376	67,968	19,200	33,000	36,900	30,800	11,376	31,068	-11,600
Research and other agricultural services-----	355	1,582	715	715		18		1,582	697	715
Total, special activities financed by Commodity Credit Corporation-----		1,778,365	1,877,786	1,776,215	166,740	285,215	232,660	1,611,625	1,592,571	1,543,555
Total, Commodity Credit Corporation (fund)-----		6,319,803	6,639,903	6,809,434	1,858,600	3,139,797	2,902,973	4,461,203	3,500,106	3,906,461
FEDERAL CROP INSURANCE CORPORATION										
Federal Crop Insurance Corporation fund-----	351	6,062	16,347	26,429	20,610	23,189	25,420	-14,548	-6,842	1,009
FARMERS HOME ADMINISTRATION										
Disaster loans, etc., revolving fund-----	352	43,716	36,367	33,649	74,776	43,092	29,027	-31,060	-6,725	4,622
Farm tenant-mortgage insurance fund-----	352	33,906	13,474	18,832	7,673	10,327	11,136	26,233	3,147	7,696
Total, public enterprise funds-----		6,403,487	6,706,091	6,888,344	1,961,659	3,216,405	2,968,556	4,441,829	3,489,686	3,919,788

ANALYSIS OF UNEXPENDED BALANCES

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses, Agricultural Research Service.....		\$21,995		\$15,650		\$23,708		\$23,277
Animal disease laboratory facilities, Agricultural Research Service.....	\$15,651	16,028	\$1,066	12,431	\$720	4,092		
Research facilities, Agricultural Research Service.....	148	191	16	130				
Conservation operations, Soil Conservation Service.....		8,527		3,218		5,200		6,782
Watershed protection, Soil Conservation Service.....	16,796	24,199	9,527	30,083	2,250	26,833		23,583
Flood prevention, Soil Conservation Service.....	1,376	7,196	2,846	9,625		10,125		9,625
Great Plains conservation program, Soil Conservation Service.....	4,364	8,437	629	13,042		16,542		17,042
Water conservation and utilization projects, Soil Conservation Service.....	17	45	110	120	110	119	\$50	56
Agricultural conservation program, Agricultural Conservation Program Service.....	2	22,612	1	21,357		24,857		27,457
Emergency conservation measures, Agricultural Conservation Program Service.....		4,153	15,856	17,880	10,856	12,880	5,856	7,880
Marketing research and service, Agricultural Marketing Service.....		5,170		2,689		4,453		4,781
Perishable Agricultural Commodities Act fund, Agricultural Marketing Service.....	395	448	388	426	309	356	203	253
Removal of surplus agricultural commodities, Agricultural Marketing Service.....	300,000	325,263	300,000	307,626	300,000	307,626	300,000	307,626
Sugar Act program, Commodity Stabilization Service.....		2,666		11,380		8,703		4,782
Forest protection and utilization, Forest Service.....		14,532		14,661		13,831		14,617
Forest roads and trails (liquidation of contract authorization), Forest Service.....		11,715		2,236		11		
Acquisition of lands for national forests, Forest Service:								
Superior National forest.....	532	767	15	164		32		312
Cache National forest.....	53	83	88	100		100		60

ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands]

Description	Balance, start of 1959		Balance, start of 1960		Balance, start of 1961		Balance, start of 1962	
	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total	Unobli- gated	Total
Enacted or recommended in this document—Continued								
Appropriations—Continued								
Assistance to States for tree planting, Forest Service.....	\$9	\$422	\$2	\$27		\$2		
Expenses, brush disposal, Forest Service.....	1,775	2,613	1,823	3,498	\$4,451	4,998	\$4,951	\$5,698
Forest fire prevention, Forest Service.....	11	13	1	3		3		3
Restoration of forest lands and improvements, Forest Service.....			7	8		38		43
Other.....		11,459		9,334		8,077		30,336
Total, appropriations.....	341,129	488,534	332,380	475,688	318,696	472,586	311,030	484,203
Authorizations to expend from debt receipts:								
Soil bank programs, Commodity Stabilization Service.....	233	310	42	22				
Commodity Credit Corporation (fund).....	2,505,669	2,972,000	1,228,203	1,626,000	401,363	855,000	172,697	468,000
Rural electrification loans, Rural Electrification Administration.....	67,628	862,511	210,613	967,024	108,113	882,024	113	727,024
Farm ownership, farm operating, and soil and water conservation loans, Farmers Home Administration.....		3,529		5,548		2,963		2,314
Farm housing loans, Farmers Home Administration.....	397,459	403,126	337,462	342,574	297,462	299,674	272,462	273,974
Total, authorizations to expend from debt receipts.....	2,970,989	4,241,476	1,776,320	2,941,168	806,938	2,039,661	445,272	1,471,312
Contract authorizations: Forest roads and trails, Forest Service.....	26,916	34,664	30,499	38,664	30,000	40,664		10,675
Revolving and management funds:								
Local administration, sec. 388, Commodity Stabilization Service.....		5,419	1,714	5,479		2,100		2,100
Commodity Credit Corporation (fund).....		26,961		33,366		32,420		32,701
Federal Crop Insurance Corporation fund.....	25,755	26,637	38,710	41,184	41,496	48,026	39,947	47,017
Disaster loans, etc., revolving fund, Farmers Home Administration.....	38,331	32,697	67,957	63,758	75,075	70,483	70,679	65,861
Farm tenant-mortgage insurance fund, Farmers Home Administration.....	2,837	1,114	2,919	1,616	3,794	1,169	4,190	1,103
Other.....	448	4,922	979	4,275	1,375	4,141	1,590	4,178
Total, revolving and management funds.....	67,371	97,750	112,279	149,678	121,740	158,339	116,406	152,960
Proposed for later transmission:								
Appropriations:								
Partial restoration of capital impairment, Commodity Credit Corporation.....					675,000	675,000		
Other.....						29,947		16,947
Total, proposed for later transmission.....					675,000	704,947		16,947
Total, Department of Agriculture.....	3,406,405	4,862,424	2,251,478	3,605,198	1,952,374	3,416,197	872,738	2,136,097

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
Balances brought forward at start of year from authorizations:			
Enacted or recommended in this document:			
Appropriations.....	\$488,534	\$475,688	\$472,586
Authorizations to expend from debt receipts.....	4,241,476	2,941,168	2,039,661
Contract authorizations.....	34,664	38,664	40,664
Revolving and management funds.....	97,750	149,678	158,339
Proposed for later transmission: Appropriations.....			704,947
Total balances brought forward.....	4,862,424	3,605,198	3,416,197
New obligational authority:			
Enacted or recommended in this document:			
Current authorizations:			
Appropriations.....	4,925,825	4,081,794	4,254,802
Appropriations to liquidate contract authorizations.....	(26,000)	(28,000)	(30,000)
Authorizations to expend from debt receipts.....	631,000	446,000	367,000
Reappropriations.....	18,454	1,000	
Total new obligational authority under current authorizations.....	5,575,279	4,528,794	4,621,802
Permanent authorizations:			
Appropriations.....	293,815	346,112	419,970
Authorizations to expend from debt receipts.....	26,735	2,700	7,630
Contract authorizations.....	30,000	30,000	
Total new obligational authority under permanent authorizations.....	350,550	378,812	427,600
Total new obligational authority enacted or recommended.....	5,925,829	4,907,606	5,049,402
Proposed for later transmission: Appropriations.....		725,114	32,000
Total new obligational authority.....	5,925,829	5,632,720	5,081,402
Other amounts available: Appropriations available in prior year.....	-2,076		
Total budget authorizations available.....	10,786,177	9,237,918	8,497,599
Expenditures:			
From obligational authority enacted or recommended:			
Out of new obligational authority.....	7,091,361	5,685,797	3,975,888
Out of balances of prior obligational authority.....			1,504,953
Total expenditures from obligational authority enacted or recommended.....	7,091,361	5,685,797	5,480,841
From obligational authority proposed for later transmission:			
Out of new obligational authority.....		20,167	32,000
Out of balances of prior obligational authority.....			688,000
Total expenditures from obligational authority proposed for later transmission.....		20,167	720,000
Total budget expenditures.....	7,091,361	5,705,964	6,200,841
Amounts no longer available:			
Unobligated balances expiring and lapsing.....	83,648	115,757	160,661
Adjustment of balances downward in expired accounts, net.....	5,970		
Total amounts no longer available.....	89,618	115,757	160,661
Balances carried forward at close of year:			
Enacted or recommended in this document:			
Appropriations.....	475,688	472,586	484,203
Authorizations to expend from debt receipts.....	2,941,168	2,039,661	1,471,312
Contract authorizations.....	38,664	40,664	10,675
Revolving and management funds.....	149,678	158,339	152,960
Proposed for later transmission: Appropriations.....		704,947	16,947
Total balances carried forward at close of year.....	3,605,198	3,416,197	2,136,097
Obligations incurred, net.....	\$6,995,032	\$5,816,067	\$6,000,377

AGRICULTURAL RESEARCH SERVICE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, and home economics, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two, of which one shall be for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except greenhouses connecting greenhouses) shall not exceed \$10,000 \$17,500, except for five buildings to be constructed or improved at a cost not to exceed \$20,000 \$35,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$3,750 \$7,500 or 4 6 per centum of the cost of the building, whichever is greater:

Research: For research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services, including administration of payments to State agricultural experiment stations; \$67,722,490 \$68,981,700: *Provided*, That the Secretary is authorized to acquire from the Department of the Army without reimbursement land and improvements at Orlando, Florida, to be transferred pursuant to the Federal Property and Administrative Services Act of 1949, as amended: *Provided further*, That the limitations contained herein shall not apply to (a) replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a), or (b) not to exceed \$2,939,000 for the construction and alteration of buildings: *Provided further*, That the Secretary is authorized to acquire by donation lands necessary for the construction thereof;

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947 (21 U.S.C. 114b-d), \$49,800,600 \$48,775,600, of which \$1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions;

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat, and meat-food products, and the applicable provisions of the laws relating to process or renovated butter, \$21,324,900; \$21,562,700.

Special fund: To provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$1,000,000 of the amount appropriated under this head for the fiscal year 1959 may be used by the Administrator of the Agricultural Research Service in departmental research programs in the fiscal year 1960, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research". (5 U.S.C. 511-512, 524, 541c-541e, 563-564, 565a, 576, 2131; 7 U.S.C. 135-135k, 145-164a, 166-167, 281-283, 361a-361i, 391, 394-396, 401-404, 421-422a, 424-425, 427, 427i, 428a, 429-431, 433-434, 436-437, 851-855, 1292, 1651-1656, 1901-1906; 15 U.S.C. 69e; 16 U.S.C. 581-581a, 581f, 590a-590b, 590f, 590k; 18 U.S.C. 287; 19 U.S.C. 1201, 1306; 20 U.S.C. 191-194; 21 U.S.C. 71-91, 94-96, 98, 101-105, 111-128, 130-131, 151-158, 342a, 346; 26 U.S.C. 4817, 7235c; 31 U.S.C. 725a; 42 U.S.C. 1891-1893; 46 U.S.C. 71-74; 46 U.S.C. 466a-466b; 48 U.S.C. 198, 1409m-1409o; 49 U.S.C. 177e, 181b; 46 Stat. 67; 73 Stat. 286; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$138,847,990 Estimate 1961, \$139,320,000

* Includes \$49,100 for activities previously carried under "Salaries and expenses," Library, and excludes \$50,000 for activities transferred in the estimates to "Marketing research and service," Agricultural Marketing Service. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research:			
(a) Farm research.....	\$45,123,417	\$47,109,990	\$49,677,700
(b) Utilization research and development.....	16,413,495	16,121,000	18,442,600
(c) Home economics research.....	2,013,154	2,155,800	2,189,200
(d) Administration of payments to States, and research in Alaska, Puerto Rico, and Virgin Islands.....	1,081,824	1,099,300	1,102,200
Total, research.....	64,631,890	66,486,090	71,411,700
2. Plant and animal disease and pest control:			
(a) Plant disease and pest control.....	21,586,514	24,199,700	24,916,800
(b) Animal disease and pest control.....	29,188,711	25,600,900	23,818,800
Total, plant and animal disease and pest control.....	50,775,225	49,800,600	48,735,600
3. Meat inspection.....	20,657,577	21,324,900	21,562,700
Total program costs 1.....	136,064,692	137,611,590	141,710,000
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—2,783,857	—	—2,390,000
Obligations incurred for costs of other years, net.....	—	2,235,500	—
Total program (obligations).....	133,280,835	139,847,090	139,320,000
Financing:			
Comparative transfers from (—) or to other accounts.....	—48,225	900	—
1959 appropriation available in 1958.....	527,557	—	—
Unobligated balance no longer available.....	3,220,223	—	—
New obligational authority.....	136,980,390	139,847,990	139,320,000
New obligational authority:			
Appropriation.....	\$128,752,890	\$138,847,990	\$139,320,000
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 34).....	7,881,500	—	—
Appropriation (adjusted).....	136,634,390	138,847,990	139,320,000
Reappropriation.....	346,000	1,000,000	—

¹ Includes capital outlay as follows: June 30, 1959, \$8,068,509; 1960, \$5,200,000; 1961* \$7,600,000.

The Service conducts fundamental and applied research relating to the production and utilization of agricultural products, and to home economics, and carries out those control and regulatory programs of the Department which involve enforcement of plant and animal quarantines, meat inspection, the control of diseases and insect pests of animals and plants, and related work.

1. *Research*—(a) *Farm research*.—Improved breeding, feeding, and management practices are developed for farm livestock, poultry, and domestic fur animals. Practical methods are sought for control of diseases and parasites affecting them.

Investigations are conducted to improve varieties of food, feed, fiber and other plants and to develop new crops; to improve crop-production practices, including methods to control plant diseases; to improve methods for control of harmful and utilization of beneficial insects affecting farm production; and to develop and test new chemical formulations and nonchemical methods for the control of crop pests.

Research is conducted to improve fertilizers, soil management, irrigation, and conservation practices; to study hydrologic problems of agricultural watersheds; to determine the relation of soils to plant, animal, and human nutrition; and to apply engineering principles to improve efficiency and reduce costs of agricultural production.

AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Farm economics research is conducted on profitable adjustments in farming by type and size of farm; on efficiency in use of labor, equipment, land, and water; and on related economic problems.

Continuous review is maintained to emphasize work which will meet the problems of agricultural surpluses. The research is aimed at the profitable production of an adequate supply of food, feed, fiber, and other agricultural products of desired quality at minimum costs. Increased attention has been given to the production of agricultural products having industrial uses. Development of improved ginning processes and equipment is currently emphasized in order to enable ginnerers to avoid heat and other damage to cotton fiber during ginning. More than \$1.5 million of farm research funds are now used for the introduction and development of new crops. Research in farm economics is concentrated on the problem of adjustments in farming which may increase farmers' income without increase in output of farm products currently surplus to need.

The proportion of farm research funds going into basic research has steadily increased, and is currently estimated at 31% of the total funds for farm research. This basic research undergirds the other research efforts.

The estimates for 1961 propose increases for research on safer chemicals for insect control, staffing, and operating the National Animal Disease Laboratory, Ames, Iowa, and economic research to determine alternate systems of farming to enable feed-grain and livestock farmers to adjust more readily to market demands. These increases are more than offset by decreases from the elimination of funds previously appropriated for nonrecurring construction and improvement items, and by redirection of some funds previously used for farm research to utilization and development research.

(b) *Utilization research and development.*—Chemical, physical, and biological studies are conducted to develop new and improved foods, feeds, drugs, fabrics, industrial chemicals, and other products from agricultural commodities; to improve commodity processing methods; and to increase the use of byproducts. The estimates for 1961 propose increases for new and improved uses for grains, cotton, wool, castor oil, and animal fats.

(c) *Home economics research.*—Studies are made of human nutrition, household economics, and clothing and housing.

(d) *Administration of payments to States, and research in Alaska, Puerto Rico, and Virgin Islands.*—Research under Federal grant funds at each State agricultural experiment station is coordinated with research conducted by other States and by agencies of the Department. The Secretary's responsibilities for the proper administration of these funds are financed by a direct appropriation (\$342,500 estimated for 1960) and 3% of the grant funds. Research stations are operated in Alaska, Puerto Rico, and the Virgin Islands.

2. *Plant and animal disease and pest control.*—(a) *Plant disease and pest control.*—Provision is made (1) through port-of-entry inspection to exclude from this country destructive insects, plant diseases, and nematodes that cause great damage to agricultural crops in other parts of the world; (2) to cooperate with States in eradicating or preventing spread of crop pests that become established in

this country; and (3) to assist States in suppressing incipient and emergency outbreaks of crop pests when and where they occur. The Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and related provisions of the Federal Food, Drug, and Cosmetic Act are administered. Increases are proposed for 1961 for plant quarantine protection due to increased travel and shipping, and for regulatory activities arising from the amendment to the Federal Insecticide, Fungicide, and Rodenticide Act, approved August 7, 1959 (Public Law 86-139). The volume of workload is indicated in the following table:

	[In thousands]		
	1957 actual	1958 actual	1959 actual
Inspections at ports of entry:			
Airplanes.....	111	121	134
Vessels.....	55	55	59
Interceptions of unauthorized plant material.....	291	311	320

(b) *Animal disease and pest control.*—Programs are devised to exclude communicable diseases of foreign origin from this country; to prevent the spread of diseases through interstate shipments of livestock or distribution of impure or impotent veterinary biologics; to control and eradicate livestock diseases; and to maintain, through a marketing agreement with manufacturers and handlers, adequate supplies of hog cholera virus and serum for protection of swine. The estimates for 1961 include a proposed decrease of \$2.1 million primarily due to progress and accomplishments in the brucellosis and screwworm eradication programs.

The volume of protective activities is indicated by selected examples in the following table:

	[In thousands]		
	1957 actual	1958 actual	1959 actual
Animal import inspection:			
All animals.....	346	1,127	1,150
Import animal byproducts:			
Wool, bone, glands, etc.....pounds.....	672,000	590,600	664,611
Hides and skins.....do.....	(1)	303,000	364,489
Sheep inspected for scabies.....	11,944	9,501	10,849
Scabies-infected sheep found.....	57	57	69
Cattle inspected for scabies.....	2,090	2,139	5,855
Scabies-infected cattle found.....	5	1	9
Inspections and dippings for cattle fever ticks.....	1,932	2,832	2,097
Cattle tested for tuberculosis.....	8,976	8,884	8,187
Tuberculosis reactors found.....	14	15	19
Cattle tested for brucellosis:			
Blood tests.....	15,913	16,251	14,169
Ring tests.....	31,481	30,927	30,693
Brucellosis reactors found.....	280	260	214
Animals inspected at public stockyards.....	68,039	62,918	62,813
Diseased animals received or found.....	347	352	435
Supervision of production of veterinary biologics:			
Hog-cholera virus and anti-hog-cholera serum doses.....	46,164	40,669	44,232
Hog-cholera vaccine.....do.....	34,563	36,800	44,068
Other vaccines.....do.....	2,644,260	2,369,890	3,676,452
Total bacterins.....do.....	91,223	108,803	130,021
Diagnostic agents.....do.....	66,694	66,791	75,281
Other serums.....do.....	9,281	10,773	11,799

¹ Comparable data not available.

3. *Meat inspection.*—Federal meat inspection is required for all meat in interstate commerce and is conducted to assure a clean and wholesome meat supply for human consumption, free from adulteration, and truthfully labeled. The work includes inspection of animals, carcasses and meat, and meat-food products at various stages of handling and processing. Measures are enforced to insure informative labeling, and meats imported or exported are inspected.

The volume of inspections and examinations is indicated by examples given in the following table:

	1957 actual	1958 actual	1959 actual
Number of establishments covered.....	1,244	1,300	1,334
Cities in which plants are located.....	502	518	546
Inspections of live animals.....	104,352,000	97,604,000	99,419,000
Post mortem inspections.....	104,345,000	97,599,000	99,415,000
Animals and carcasses condemned.....	301,000	264,000	242,000
Inspection of processed meat and meat-food products (million pounds).....	17,804	16,792	17,618

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects).....	\$404,387	\$441,195	\$441,195	\$641,195
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	9,814,593	5,783,693	8,019,193	5,429,193
Advances (payments for goods and services on order not yet received).....	827,435	941,774	941,774	941,774
Total selected resources at end of year.....	11,046,415	7,166,662	9,402,162	7,012,162
Selected resources at start of year.....	-11,046,415	-7,166,662	-9,402,162	-9,402,162
Adjustment of prior year costs and selected resources reported at start of year.....	1,095,896			
Costs financed from obligations of other years, net (-).....	-2,783,857			-2,390,000
Obligations incurred for costs of other years, net.....			2,235,500	

Object Classification

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions.....	16,321	16,459	16,486
Full-time equivalent of all other positions.....	1,310	1,127	1,015
Average number of all employees.....	15,627	15,778	15,833
Number of employees at end of year.....	17,501	17,819	17,937
Average GS grade and salary.....	7.5 \$6,004	7.6 \$6,045	7.6 \$6,083
Average salary of ungraded positions.....	3,907	4,097	4,190
01 Personal services:			
Permanent positions.....	\$82,486,145	\$85,727,500	\$87,451,600
Fees paid for services.....	1,002,205		
Positions other than permanent.....	3,344,844	3,974,700	3,629,600
Other personal services.....	1,847,237	1,731,500	1,382,400
Total personal services.....	89,080,431	91,433,700	92,463,600
02 Travel.....	4,104,188	4,243,000	4,247,800
03 Transportation of things.....	477,005	491,500	679,900
04 Communication services.....	1,284,579	1,280,000	1,324,900
05 Rents and utility services.....	984,284	1,143,000	1,192,700
06 Printing and reproduction.....	697,078	732,500	745,200
07 Other contractual services.....	9,340,803	11,889,000	12,191,600
Services performed by other agencies.....	4,641,291	4,479,500	4,583,300
08 Supplies and materials.....	9,107,009	8,835,690	8,940,600
09 Equipment.....	4,201,981	4,162,500	5,022,100
10 Lands and structures.....	703,899	522,000	278,000
11 Grants, subsidies, and contributions.....	5,056,838	5,351,500	5,471,000
13 Refunds, awards, and indemnities.....	23,763	21,500	21,500
Awards for employee suggestions.....	37,640	43,000	43,000
Anaplasmosis indemnities.....	500	1,000	1,000
Brucellosis indemnities.....	2,410,509	1,700,000	1,420,000
Scrapie indemnities.....	293,039	150,000	150,000
Tuberculosis indemnities.....	478,285	440,000	440,000
Payments to Mexican-United States Commission for the Prevention of Foot-and-Mouth Disease.....		20,000	20,000
Federal tort claims.....	532		
15 Taxes and assessments.....	199,376	209,800	185,900
Subtotal.....	133,123,030	137,149,190	139,422,100
Deduct quarters and subsistence charges.....	101,855	102,100	102,100
Total, Agricultural Research Service.....	133,021,175	137,047,090	139,320,000
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	2		
Average number of all employees.....	2		
Number of employees at end of year.....	2		
Average GS grade and salary.....	8.1 \$6,598		
01 Personal services:			
Permanent positions.....	\$8,175		
Other personal services.....	1,819		
Total personal services.....	9,994		
02 Travel.....	181	\$2,000	
05 Rents and utility services.....	693		
06 Printing and reproduction.....		5,000	
07 Other contractual services.....	25,675	243,000	
08 Supplies and materials.....	301		
10 Lands and structures.....	222,283	2,550,000	
11 Grants, subsidies, and contributions.....	533		
Total, allocation accounts.....	259,660	2,800,000	
Total obligations.....	133,280,835	139,847,090	\$139,320,000
Obligations are distributed as follows:			
Agricultural Research Service.....	\$133,021,175	\$137,047,090	\$139,320,000
General Services Administration.....	233,322	2,800,000	
Bureau of Public Roads, Department of Commerce.....	26,338		

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a), and for agricultural and forestry research authorized by section 104(k) of that Act, to remain available until expended, \$15,131,500, of which not less than \$7,662,500 shall be available to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States: Provided further, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Agricultural Research Service for the foregoing purposes of section 104(a) is appropriated as of that date and shall be merged with this appropriation.

Appropriated (est.) 1960, \$17,637,743 Estimate 1961, \$15,131,500

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Market development research (sec. 104(a)).....	\$218,195	\$2,800,000	\$4,600,000
2. Agricultural and forest research (sec. 104(k)).....	1,700	780,000	3,800,000
Total program costs.....	219,895	3,580,000	8,400,000
3. Relation of costs to obligations:			
Obligations incurred for costs of other years (unpaid undelivered orders), net.....	1,433,633	18,337,831	6,731,500
Total program (obligations).....	1,653,528	21,917,831	15,131,500
Financing:			
Unobligated balance brought forward.....	-28,516	-5,973,031	
Comparative transfer from (-) other accounts.....	-1,700	-3,888,300	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalent.....	141		
Unobligated balance carried forward.....	5,973,031		
Authorization to expend foreign currency receipts (net of proposed appropriation to cover balances as of June 30, 1960).....	-7,596,484	5,581,243	
New obligational authority.....		17,637,743	15,131,500
New obligational authority:			
Indefinite (proposed in appropriation language above).....		\$17,637,743	
Definite.....			\$15,131,500
Appropriation.....		17,637,743	15,131,500

NOTE.—The gross foreign currency authorization in 1960 is \$12,056,500. The schedule above covers foreign currency authorizations for 1959 and 1960. The appropriation recommended for 1960 is equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 relate to appropriations.

Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, are used by the Department for market development research under section 104(a) and for agricultural and forest research under section 104(k). Work is carried on through contracts or grants, in both basic and applied fields, by research institutions and organizations in foreign countries. This research serves to develop new foreign markets and to expand existing markets for agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. It also provides for supplementary research on farm, forest, marketing, utilization, and human nutrition problems. It is estimated that \$15.1 million will be available in 1961 for such research. Total estimated cost in U.S. dollars (charged to regular appropriations) of the initiation and supervision of projects in 1961 is \$250,000.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders (representing primarily work under contract not performed) are as follows: 1958, \$371,484; 1959, \$1,805,117; 1960, \$20,142,948; 1961, \$26,874,448.

AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)—Continued

Object Classification				
	1959 actual		1960 estimate	
Full-time equivalent of all other positions.....	1	2	7	7
Average number of all employees.....	1	2	7	7
Number of employees at end of year.....	1	2	7	7
Average GS grade and salary.....	7.5	\$6,004	7.6	\$6,045
01 Personal services:				
Positions other than permanent.....	\$1,175	\$4,200	\$14,000	
Other personal services.....	6,359	10,700	15,000	
Total personal services.....	7,534	14,900	29,000	
02 Travel.....	40,195	80,000	80,000	
03 Transportation of things.....	8,149	12,000	4,000	
04 Communication services.....	650	1,000	2,000	
06 Printing and reproduction.....		1,000	1,000	
07 Other contractual services.....	1,588,526	21,733,431	14,940,000	
Services performed by other agencies.....	8,434	75,000	75,000	
08 Supplies and materials.....	40	500	500	
Total obligations.....	1,653,528	21,917,831	15,131,500	

Analysis of Expenditures

Obligated balance start of year.....	\$371,484	\$1,828,212	
Obligations incurred during the year, net.....	1,651,828	18,029,531	
Obligated balance end of year.....	-1,828,212		
Obligated balance, end of year, transferred to appropriation.....		-17,637,743	
Expenditures.....	195,100	2,220,000	

Status of Unfunded Allocations

Unfunded balance, start of year.....	\$400,000	\$2,109,372	
Allocations.....	7,596,484	12,056,500	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalent.....	-141		
Unfunded balance, end of year.....	-2,109,372		
Transfers into agency account.....	5,886,971	14,165,872	

CONSTRUCTION OF FACILITIES

For construction of facilities and acquisition of the necessary land therefor by donation, \$900,000, to remain available until expended. (5 U.S.C. 565a.)

Estimate 1961, \$900,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction of facilities for entomology research (total program costs).....			\$60,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net.....			840,000
Total obligations.....			900,000
Financing:			
Appropriation (new obligational authority).....			900,000

The proposed appropriation would provide facilities for entomology research to replace those currently in use at Orlando, Fla. When the replacement is completed, sale of the present property is anticipated, thus offsetting a part of the cost of the new facilities.

2. *Relation of costs to obligations.*—The year-end balance of unpaid undelivered orders for 1961 is estimated to be \$840,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services.....			\$60,000
10 Lands and structures.....			840,000
Total obligations.....			900,000

STATE EXPERIMENT STATIONS

Payments to States [Hawaii] and Puerto Rico: For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture, \$31,053,708; \$32,053,708; and payments authorized under section 204(b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U.S.C. 1623), \$500,000; in all, \$31,553,708; \$32,553,708.

Penalty mail: For penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, \$250,000. (39 U.S.C. 321q; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$31,803,708

Estimate 1961, \$32,803,708

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to States and Puerto Rico:			
(a) Payments to agricultural experiment stations.....	\$30,804,158	\$30,845,708	\$31,815,708
(b) Federal administration.....	660,986	708,000	738,000
2. Penalty mail.....	250,000	250,000	250,000
Total program costs ¹	31,715,144	31,803,708	32,803,708
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	29,351		
Total program (obligations).....	31,744,495	31,803,708	32,803,708
Financing:			
Unobligated balance no longer available.....	59,213		
Appropriation (new obligational authority).....	31,803,708	31,803,708	32,803,708

¹ Includes capital outlay as follows: June 30, 1959, \$3,934; 1960, \$9,000; 1961, \$4,900.

Funds are allocated to agricultural experiment stations of the land-grant colleges in the States and Puerto Rico for agricultural research, including investigations and experiments to promote a permanent and efficient agricultural industry and improvements in the rural home and rural life. The States are contributing about \$3 for every \$1 paid by the Federal Government.

The proposed increase is to strengthen the cooperative research program at the agricultural experiment stations in the States and Puerto Rico.

The planned distribution of the grants for 1961 is:

Distributed according to statutory formula.....	\$25,165,708
Regional research funds.....	6,150,000
Payments authorized for marketing projects.....	500,000
Total.....	31,815,708

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$1,676	\$592	\$592	\$592
Selected resources at start of year (—).....	-1,676	-592	-592	-592
Adjustment of prior year costs and selected resources reported at start of year.....	30,435			
Obligations incurred for costs of other years, net.....	29,351			

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	75	73	76
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	67	65	68
Number of employees at end of year.....	71	72	75
Average GS grade and salary.....	7.5 \$6,004	7.6 \$6,045	7.6 \$6,083
01 Personal services:			
Permanent positions.....	\$490,040	\$500,700	\$524,300
Positions other than permanent.....	4,466	5,600	5,600
Other personal services.....	2,359	4,700	2,500
Total personal services.....	496,865	511,000	532,400
02 Travel.....	73,148	75,000	77,000
03 Transportation of things.....	100	100	300
04 Communication services.....	255,295	256,000	256,200
05 Rents and utility services.....	10		
06 Printing and reproduction.....	5,823	8,000	8,200
07 Other contractual services.....	3,177	3,000	7,000
Services performed by other agencies.....	49,820	57,000	60,700
08 Supplies and materials.....	3,455	6,700	7,600
09 Equipment.....	4,395	9,000	4,900
11 Grants, subsidies, and contributions.....	31,222	32,000	33,500
Payments to agricultural experiment stations.....	30,821,089	30,845,708	31,815,708
13 Refunds, awards, and indemnities.....	6		
15 Taxes and assessments.....	190	200	200
Total obligations.....	31,744,495	31,803,708	32,803,708

DISEASES OF ANIMALS AND POULTRY

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U.S.C. 391; 21 U.S.C. 111-122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, corporations, or agencies of the Department such sums as he may deem necessary, to be available only in an emergency which threatens the livestock or poultry industry of the country, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts: *Provided*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service". (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Eradication of vesicular exanthema of swine (total program costs ¹).....	\$1,012,565	\$41,976	-----
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	-----	—41,976	-----
Obligations incurred for costs of other years, net.....	7,867	-----	-----
Total program (obligations) (advanced from Commodity Credit Corporation).....	1,020,432	-----	-----
Financing:			
Advances (repayable to Commodity Credit Corporation).....	—990,807	-----	-----
Reappropriation (new obligational authority).....	29,625	-----	-----

¹ Includes capital outlay as follows: June 30, 1959, \$13,482; 1960, \$21,305.

1. *Eradication of vesicular exanthema of swine.*—Funds for carrying out the program for the eradication of vesicular exanthema of swine were transferred from the Commodity Credit Corporation through 1959. Corporate funds so used have been repaid from specific appropriations for that purpose. Beginning in 1960, funds for this activity were included in the appropriation Salaries and expenses, Agricultural Research Service, plant and animal disease and pest control.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services not yet received).....	\$46,863	\$40,053	-----	-----
Advances (payments for goods and services on order not yet received).....	-----	1,923	-----	-----
Total selected resources at end of year.....	46,863	41,976	-----	-----
Selected resources at start of year (—).....	-----	—46,863	—\$41,976	-----
Adjustment of prior year costs and selected resources reported at start of year.....	-----	12,754	-----	-----
Costs financed from obligations of other years, net (—).....	-----	-----	—41,976	-----
Obligations incurred for costs of other years, net.....	-----	7,867	-----	-----

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	105	-----	-----
Full-time equivalent of all other positions.....	1	-----	-----
Average number of all employees.....	90	-----	-----
Number of employees at end of year.....	70	-----	-----
Average GS grade and salary.....	7.5 \$6,004	-----	-----
Average salary of ungraded positions.....	\$3,907	-----	-----
01 Personal services:			
Permanent positions.....	\$442,778	-----	-----
Positions other than permanent.....	490	-----	-----
Other personal services.....	2,110	-----	-----
Total personal services.....	445,378	-----	-----
02 Travel.....	62,441	-----	-----
03 Transportation of things.....	796	-----	-----
04 Communication services.....	5,939	-----	-----
05 Rents and utility services.....	256	-----	-----
06 Printing and reproduction.....	833	-----	-----
07 Other contractual services.....	16,910	-----	-----
Services performed by other agencies.....	389,545	-----	-----
08 Supplies and materials.....	38,357	-----	-----
09 Equipment.....	33,953	-----	-----
11 Grants, subsidies, and contributions.....	23,241	-----	-----
13 Refunds, awards, and indemnities.....	909	-----	-----
15 Taxes and assessments.....	1,874	-----	-----
Total obligations.....	1,020,432	-----	-----

ANIMAL DISEASE LABORATORY FACILITIES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Facility for animal disease research and control (total program costs—capital outlay).....	\$4,833,419	\$8,576,210	\$2,603,043
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—).....	-----	—8,230,000	—1,883,043
Obligations incurred for costs of other years (unpaid undelivered orders), net.....	9,751,843	-----	-----
Total program (obligations).....	14,585,262	346,210	720,000
Financing:			
Unobligated balance brought forward.....	—15,651,472	—1,066,210	—720,000
Unobligated balance carried forward.....	1,066,210	720,000	-----
Appropriation (new obligational authority).....	-----	-----	-----

In previous years, \$16,500,000 had been provided for establishment of animal disease research and control laboratory facilities. Construction of the facilities at Ames, Iowa, was started in August 1958. Completion is expected early in 1961.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$361,200; 1959, \$10,113,043; 1960, \$1,883,043.

AGRICULTURAL RESEARCH SERVICE—Continued**Current authorizations—Continued****ANIMAL DISEASE LABORATORY FACILITIES—Continued****Object Classification**

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL RESEARCH SERVICE			
Total number of permanent positions.....	2		
Average number of all employees.....	2		
Number of employees at end of year.....	2		
Average GS grade and salary.....	7.5 \$6,004		
01 Personal services:			
Permanent positions.....	\$20,575		
Other personal services.....	539		
Total personal services.....	21,114		
02 Travel.....	1,686		
07 Other contractual services.....	43		
09 Equipment.....		\$171,967	\$698,000
11 Grants, subsidies, and contributions.....	1,662		
Total, Agricultural Research Service.....	24,505	171,967	698,000
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
02 Travel.....	504	1,000	
03 Transportation of things.....	60		
04 Communication services.....	512		
06 Printing and reproduction.....	19,699	1,000	
07 Other contractual services.....	160,337	64,000	22,000
08 Supplies and materials.....	95		
10 Lands and structures.....	14,379,550	108,243	
Total, General Services Administration.....	14,560,757	174,243	22,000
Total obligations.....	14,585,262	346,210	720,000

RESEARCH FACILITIES**Program and Financing**

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Facilities for research on foot-and-mouth and other diseases of animals (total program costs—capital outlay).....	\$103,544	\$86,668	
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—).....		—70,923	
Obligations incurred for costs of other years (unpaid undelivered orders), net.....	28,838		
Total program (obligations).....	132,382	15,745	
Financing:			
Unobligated balance brought forward.....	—148,127	—15,745	
Unobligated balance carried forward.....	15,745		
Appropriation (new obligational authority).....			

The research laboratory and related facilities for investigation of foot-and-mouth and other animal diseases, for which \$10 million was appropriated in 1952, is now in use. Construction of an animal holding facility in 1960 will complete this installation.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$42,085; 1959, \$70,923.

Object Classification

	1959 actual	1960 estimate	1961 estimate
03 Transportation of things.....	\$21		
08 Supplies and materials.....	13,868	\$15,745	
10 Lands and structures.....	118,493		
Total obligations.....	132,382	15,745	

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
 "Watershed protection," Soil Conservation Service.
 "Mutual security—economic," funds appropriated to the President.
 "Translation of publications and scientific cooperation," funds appropriated to the President.
 "United States dollars advanced from foreign governments, United States educational exchange program," Department of State.
 "Salaries and expenses," Office of Civil and Defense Mobilization.
 "Civil defense and defense mobilization functions of Federal agencies," funds appropriated to the President.

Permanent authorizations:

ALTERATIONS AND IMPROVEMENTS, ANIMAL QUARANTINE STATION,
 CLIFTON, NEW JERSEY
 (Special fund)

Appropriated 1960, \$30,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Alterations and improvements (total costs—obligations).....		\$30,000	
Financing:			
Appropriation (new obligational authority).....		30,000	

Under authority of the act of August 20, 1958 (72 Stat. 680), approximately 7 acres of land at the U.S. Animal Quarantine Station, Clifton, N.J., have been conveyed to the city of Clifton. The Federal Government received \$83,400 for this land, of which \$30,000 was deposited on August 19, 1959, to a special account for alterations of buildings, facilities, and improvements on the remaining land at the station.

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services.....		\$17,500	
08 Supplies and materials.....		12,500	
Total obligations.....		30,000	

Intragovernmental funds:**WORKING CAPITAL FUND, AGRICULTURAL RESEARCH CENTER**

This fund finances, on a reimbursable basis, central facilities and services furnished to agencies at the Agricultural Research Center (64 Stat. 658). The capital consists of \$300,000 appropriated in 1951 and donated assets of \$230,250 as of June 30, 1959. Earnings are retained to furnish adequate working capital.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	\$81,011	\$60,000	\$60,000
Purchase of material and supplies.....	1,004,862	1,012,314	1,000,000
Other expenses.....	2,311,379	2,450,000	2,464,100
Increase in selected working capital.....		2,000	2,000
Total gross expenditures.....	3,397,252	3,524,314	3,526,100
Receipts from operations (funds provided):			
Sales of goods and services.....	3,343,032	3,487,700	3,511,800
Rental income from quarters.....	12,147	12,300	12,300
Proceeds from sale of equipment.....	19,105	2,000	2,000
Decrease in selected working capital.....	133,408		
Total receipts from operations.....	3,507,692	3,502,000	3,526,100
Budget expenditures.....	—110,440	22,314	

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Revenue.....	\$3,355,179	\$3,500,000	\$3,524,100
Expense.....	3,331,614	3,490,000	3,504,100
Net operating income.....	23,565	10,000	20,000
Nonoperating income:			
Proceeds from sale of equipment.....	19,105	2,000	2,000
Net book value of assets sold (-).....	-19,105	-2,000	-2,000
Net nonoperating income.....			
Net income for the year.....	23,565	10,000	20,000
Retained earnings, beginning of year.....	15,801	39,366	49,366
Retained earnings, end of year.....	39,366	49,366	69,366

Financial Condition

Assets:			
Cash with Treasury.....	\$414,499	\$392,185	\$392,185
Accounts receivable.....	223,211	228,000	228,000
Materials and supplies.....	123,454	135,768	135,768
Equipment, net.....	226,486	244,486	262,486
Total assets.....	992,650	1,000,439	1,018,439
Liabilities:			
Current.....	423,034	420,823	418,823
Government investment:			
Non-interest bearing capital:			
Start of year.....	508,077	530,250	530,250
Donated capital during year.....	22,173		
End of year.....	530,250	530,250	530,250
Retained earnings.....	39,366	49,366	69,366
Total Government investment.....	569,616	579,616	599,616

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, \$118,029; 1959, \$95,186; 1960, \$100,000; and 1961, \$100,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	341	342	342
Full-time equivalent of all other positions.....	54	55	55
Average number of all employees.....	390	387	387
Number of employees at end of year.....	405	410	410
Average GS grade and salary.....	7.5 \$6,004	7.6 \$6,045	7.6 \$6,083
Average salary of ungraded positions.....	\$3,907	\$4,097	\$4,190
01 Personal services:			
Permanent positions.....	\$1,587,492	\$1,640,500	\$1,647,800
Positions other than permanent.....	212,215	215,000	215,000
Other personal services.....	47,931	55,000	47,700
Excess of annual leave earned over leave taken.....	14,081		
Total personal services.....	1,861,719	1,910,500	1,910,500
02 Travel.....	147	200	200
03 Transportation of things.....	2,926	2,800	2,800
04 Communication services.....	123,089	125,000	125,000
05 Rents and utility services.....	159,877	170,000	170,000
06 Printing and reproduction.....	2,394	2,300	2,300
07 Other contractual services.....	54,053	115,828	114,800
08 Supplies and materials.....	994,136	1,027,000	1,025,000
09 Equipment.....	50,061	60,000	60,000
10 Lands and structures.....	16,720		
11 Grants, subsidies, and contributions.....	101,737	107,000	107,000
13 Refunds, awards, and indemnities.....	1,184		
15 Taxes and assessments.....	6,339	6,500	6,500
Total obligations.....	3,374,382	3,527,128	3,524,100

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research.....	\$929,977	\$991,700	\$1,029,500
2. Plant and animal disease and pest control.....	879,614	461,000	461,000
3. Meat inspection.....	6,729,898	6,564,000	6,564,000
4. Miscellaneous services to other accounts.....	149,702	122,300	122,800
Total program (costs—obligations).....	8,689,191	8,139,000	8,177,300

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Advances and reimbursements from—			
Other accounts.....	\$3,096,800	\$2,528,826	\$2,566,280
Non-Federal sources.....	5,592,391	5,610,174	5,611,020
Total financing.....	8,689,191	8,139,000	8,177,300

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sales of charts (7 U.S.C. 1387) and personal property (40 U.S.C. 481(c)); from payments by non-Federal agencies for overtime work and travel performed at meat-packing establishments and veterinary biological establishments and for animal and plant quarantine inspection (5 U.S.C. 576; 7 U.S.C. 394, 396); from cooperating State, county, municipal, and private organizations for soil and water conservation work (16 U.S.C. 590a); and from refunds of terminal leave payments (5 U.S.C. 61(b)).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	50	50	54
Full-time equivalent of all other positions.....	5	4	3
Average number of all employees.....	550	468	467
Number of employees at end of year.....	56	54	56
Average GS grade and salary.....	7.5 \$6,004	7.6 \$6,045	7.6 \$6,083
01 Personal services:			
Permanent positions.....	\$3,340,550	\$2,860,434	\$2,886,885
Positions other than permanent.....	24,584	18,720	13,920
Other personal services.....	4,547,712	4,535,346	4,500,895
Total personal services.....	7,912,846	7,414,500	7,401,700
02 Travel.....	42,037	35,000	38,800
03 Transportation of things.....	2,251	2,250	7,750
04 Communication services.....	13,160	9,225	10,425
05 Rents and utility services.....	36,894	33,050	33,050
06 Printing and reproduction.....	12,022	12,300	12,300
07 Other contractual services.....	79,717	60,145	92,745
Services performed by other agencies.....	61,394	52,100	52,000
08 Supplies and materials.....	169,054	217,440	219,940
09 Equipment.....	174,009	123,390	128,090
11 Grants, subsidies, and contributions.....	183,371	177,500	178,400
15 Taxes and assessments.....	2,436	2,100	2,100
Total obligations.....	8,689,191	8,139,000	8,177,300

EXTENSION SERVICE

Current authorizations:

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States[, Hawaii,] and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), [\$52,220,000] \$55,085,000; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,495,000; in all, [\$53,715,000] \$56,580,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State[, Hawaii,] or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, [\$5,674,375] \$5,961,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$2,491,307.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), and the Act of August 11, 1955 (7 U.S.C. 347a), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States[, Territories,] and insular possessions, [\$2,242,540] \$2,392,660. (39 U.S.C. 321i, 321n, 321p-q; *Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, \$64,123,222

Estimate 1961, \$67,424,967

EXTENSION SERVICE—Continued

Current authorizations—Continued

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to States and Puerto Rico:			
(a) Payments for cooperative agricultural extension work under Smith-Lever Act.....	\$51,614,334	\$52,220,000	\$55,085,000
(b) Payments and contracts under the Agricultural Marketing Act.....	1,510,379	1,606,096	1,495,000
2. Retirement costs for extension agents.....	5,365,243	5,674,375	5,961,000
3. Penalty mail.....	2,491,307	2,491,307	2,491,307
4. Federal Extension Service.....	2,238,265	2,242,540	2,392,660
Total program costs ¹	63,219,528	64,234,318	67,424,967
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—111,096	-----
Obligations incurred for costs of other years, net.....	35,197	-----	-----
Total program (obligations).....	63,254,725	64,123,222	67,424,967
Financing:			
Unobligated balance no longer available.....	464,352	-----	-----
New obligational authority.....	63,719,077	64,123,222	67,424,967
New obligational authority:			
Appropriation.....	\$63,159,395	\$64,123,222	\$67,424,967
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 34).....	559,682	-----	-----
Appropriation (adjusted).....	63,719,077	64,123,222	67,424,967

¹ Includes capital outlay as follows: June 30, 1959, \$26,822; 1960, \$16,000; 1961, \$14,000.

The primary function of the nationwide system of cooperative extension work is out-of-school applied education in agriculture, home economics, and related subjects. This educational activity takes research results, technological advancements, and situation and program facts of the Department of Agriculture, the State agricultural colleges, and experiment stations, and incorporates them into a national educational program. Its objective is to help people develop their abilities to attain greater efficiency in farming, marketing, and homemaking.

1. *Payments to States and Puerto Rico.*—Funds appropriated under the Smith-Lever Act for payments to States and Puerto Rico are distributed primarily on the basis of farm and rural population and to a limited degree on the basis of special problems and needs. Funds appropriated under the Agricultural Marketing Act for educational work in marketing are distributed to the States and Puerto Rico on a matching basis under approved projects and on the basis of contracts. Funds are used primarily for the employment of county extension workers who work with rural families, marketing concerns, and others by providing counsel and assistance in the application of improved methods of production, marketing, and family living. They assist local leadership to determine extension programs of work. Work with youth is largely through 4-H Clubs.

The proposed increase is for payments for cooperative agricultural extension work under the Smith-Lever Act to strengthen and expand extension work with disadvantaged agricultural families in connection with the Administration's rural development program.

The scope of extension activities is reflected in the following selected statistics:

(In thousands)

	1956	1957	1958
Number of families assisted in adopting improved agricultural practices.....	6,406	6,819	7,947
Number of families assisted in adopting improved homemaking practices.....	6,539	6,873	7,475
Number of 4-H Club members.....	2,164	2,201	2,254
Number of voluntary local leaders.....	1,267	1,262	1,251
Number of bulletins distributed.....	29,200	30,894	32,873

2. *Retirement costs for extension agents.*—The amount proposed is required to meet retirement costs of cooperative extension agents as authorized under Public Law 854, approved July 31, 1956. Cooperative extension agents are joint employees of the U.S. Department of Agriculture and the cooperating land-grant institutions. The employer's contribution to the Federal retirement fund, to match contributions of these agents, is provided by Federal appropriation.

3. *Penalty mail.*—Funds to cover the cost of penalty mailings for State extension directors and cooperative extension agents in the States are provided under this appropriation.

4. *Federal Extension Service.*—The Federal Extension Service provides leadership, counsel, and assistance to the States and Puerto Rico in developing extension programs, improved teaching methods, efficient use of available resources, evaluation of programs, in-service training for extension personnel, and providing administrative services. The proposed increase will strengthen the Federal staff of the Extension Service to meet increased responsibilities resulting from requests from the States for increased program leadership and assistance.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$212,894	\$185,203	\$89,679	\$89,679
Advances (payments for goods and services on order not yet received).....	41,494	46,572	31,000	31,000
Total selected resources at end of year.....	254,388	231,775	120,679	120,679
Selected resources at start of year (—).....	-----	—254,388	—231,775	—120,679
Adjustment of prior year costs and selected resources reported at start of year.....	-----	57,810	-----	-----
Costs financed from obligations of other years, net (—).....	-----	-----	—111,096	-----
Obligations incurred for costs of other years, net.....	-----	35,197	-----	-----

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	244	238	246
Full-time equivalent of all other positions.....	1	1	-----
Average number of all employees.....	233	232	241
Number of employees at end of year.....	236	237	244
Average GS grade and salary.....	8.7 \$7,288	8.8 \$7,386	8.9 \$7,503
01 Personal services:			
Permanent positions.....	\$1,693,423	\$1,701,127	\$1,785,502
Positions other than permanent.....	3,996	2,506	-----
Other personal services.....	13,729	19,342	13,271
Total personal services.....	1,711,148	1,722,975	1,798,773
02 Travel.....	215,393	216,000	233,400
03 Transportation of things.....	20,841	21,000	28,000
04 Communication services.....	29,824	30,000	32,100
Penalty mail for cooperative extension agents and State extension directors.....	2,491,307	2,491,307	2,491,307
05 Rents and utility services.....	1,626	1,680	1,680
06 Printing and reproduction.....	68,424	71,200	89,700
07 Other contractual services.....	230,374	109,885	124,505
Services performed by other agencies.....	29,388	30,000	31,372
08 Supplies and materials.....	18,007	18,000	19,400
09 Equipment.....	25,488	9,500	16,500
11 Grants, subsidies, and contributions.....	5,474,141	5,785,375	6,076,930
Payments to States and Puerto Rico.....	52,937,892	53,615,000	56,480,000
13 Refunds, awards, and indemnities.....	125	500	500
15 Taxes and assessments.....	747	800	800
Total obligations.....	63,254,725	64,123,222	67,424,967

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Cooperation with the Bureau of Indian Affairs on extension program with Indians.....	\$34,290	\$34,290	\$37,860
2. Technical assistance to agricultural stabilization and conservation committees in Alaska.....	13,292	14,710	14,710
3. Miscellaneous services to other accounts.....	7,072		
Total program (costs—obligations).....	54,654	49,000	52,570
Financing:			
Advances and reimbursements from—			
Other accounts.....	54,549	49,000	52,570
Non-Federal sources (5 U.S.C. 61(b)).....	105		
Total financing.....	54,654	49,000	52,570

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	3	3	3
Average number of all employees.....	4	3	3
Number of employees at end of year.....	3	3	3
Average GS grade and salary.....	10.7 \$9,062	10.7 \$9,312	10.7 \$9,312
01 Personal services:			
Permanent positions.....	\$33,345	\$27,776	\$28,179
Other personal services.....	106	213	110
Total personal services.....	33,451	27,989	28,289
02 Travel.....	5,346	4,422	7,000
04 Communication services.....			300
06 Printing and reproduction.....			100
07 Other contractual services.....	72	60	232
Services performed by other agencies.....	335		
08 Supplies and materials.....	22		100
09 Equipment.....	11		
11 Grants, subsidies, and contributions.....	15,417	16,529	16,549
Total obligations.....	54,654	49,000	52,570

FARMER COOPERATIVE SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451-457), **[\$615,800] \$644,650.** (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **\$615,800** Estimate 1961, **\$644,650**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research and technical assistance for farmer cooperatives (total program costs ¹).....	\$613,829	\$615,800	\$644,650
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—1,976		
Total program (obligations).....	611,853	615,800	644,650
Financing:			
1959 appropriation available in 1958.....	2,574		
Unobligated balance no longer available.....	3,473		
New obligational authority.....	617,900	615,800	644,650
New obligational authority:			
Appropriation.....	\$578,000	\$615,800	\$644,650
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 51).....	39,900		
Appropriation (adjusted).....	617,900	615,800	644,650

¹ Includes capital outlay as follows: June 30, 1959, \$4,736; 1960, \$3,600; 1961, \$5,100.

1. The Farmer Cooperative Service provides research, advisory, and educational assistance to farmers' marketing, purchasing, and service cooperatives. Problems of organization, financing, policies, management, merchandising, costs, efficiency, and membership are involved. Much of this work is carried on in cooperation with land-grant colleges, the Extension Service, and other Federal and State agencies.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Equipment not placed in use.....	\$2,470			
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	11,851	\$11,853	\$11,853	\$11,853
Total selected resources at end of year.....	14,321	11,853	11,853	11,853
Selected resources at start of year (—).....	—14,321	—11,853	—11,853	—11,853
Adjustment of prior year costs and selected resources reported at start of year.....		492		
Costs financed from obligations of other years, net (—).....		—1,976		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	75	73	75
Average number of all employees.....	68	67	70
Number of employees at end of year.....	65	67	70
Average GS grade and salary.....	8.5 \$6,806	8.7 \$6,979	8.7 \$7,052
01 Personal services:			
Permanent positions.....	\$461,776	\$473,132	\$489,410
Other personal services.....	2,269	3,668	1,890
Total personal services.....	464,045	476,800	491,300
02 Travel.....	39,085	36,200	38,700
03 Transportation of things.....	674	100	100
04 Communication services.....	15,823	15,100	15,700
06 Printing and reproduction.....	46,308	38,000	41,500
07 Other contractual services.....	2,418	2,400	6,650
Services performed by other agencies.....	7,161	8,000	8,900
08 Supplies and materials.....	3,554	3,700	3,900
09 Equipment.....	4,823	3,800	5,300
11 Grants, subsidies, and contributions.....	29,959	31,000	31,900
13 Refunds, awards, and indemnities.....	536	600	600
15 Taxes and assessments.....	41	100	100
1959 program obligated in 1958.....	—2,574		
Total obligations.....	611,853	615,800	644,650

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Research and technical assistance for farmer cooperatives.....	\$2,793		
2. Marketing research activities (Agricultural Marketing Service).....	406,265	\$407,800	\$415,300
Total program costs.....	409,058	407,800	415,300
3. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—1,935		
Total program (obligations).....	407,123	407,800	415,300
Financing:			
Advances and reimbursements from other accounts.....	410,593	407,800	415,300
Unobligated balance no longer available.....	—3,470		
Total financing.....	407,123	407,800	415,300

FARMER COOPERATIVE SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$23,481	\$20,845	\$20,845	\$20,845
Selected resources at start of year (—).....	—23,481	—20,845	—20,845	—20,845
Adjustment of prior year costs and selected resources reported at start of year.....		701	—	—
Costs financed from obligations of other years, net (—).....		—1,935	—	—

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	52	50	51
Average number of all employees.....	45	45	46
Number of employees at end of year.....	45	45	46
Average GS grade and salary.....	8.3 \$6,524	8.6 \$6,672	8.5 \$6,647
01 Personal services:			
Permanent positions.....	\$301,040	\$305,630	\$309,804
Other personal services.....	1,655	2,370	1,196
Total personal services.....	302,695	308,000	311,000
02 Travel.....	27,302	24,000	24,900
03 Transportation of things.....	439	100	100
04 Communication services.....	10,462	10,000	10,100
06 Printing and reproduction.....	13,533	12,000	13,000
07 Other contractual services.....	25,322	26,000	28,500
Services performed by other agencies.....	5,059	4,400	4,400
08 Supplies and materials.....	2,419	2,500	2,500
09 Equipment.....	39	200	200
11 Grants, subsidies, and contributions.....	19,466	20,100	20,100
13 Refunds, awards, and indemnities.....	359	400	400
15 Taxes and assessments.....	28	100	100
Total obligations.....	407,123	407,800	415,300

SOIL CONSERVATION SERVICE

The Service is responsible for various soil and water conservation activities to aid farmers and ranchers in making physical adjustments in land use to conserve soil, water, and plant resources, establish a permanent and balanced agriculture, and reduce the hazards of floods and sedimentation. These activities are carried out in cooperation with Federal and State agencies and local organizations. The Service also has responsibility for administering the Great Plains conservation program and provides technical services in connection with the agricultural conservation program, the conservation reserve program, and soil and water conservation loans made by the Farmers Home Administration.

Current authorizations:

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, **[\$82,322,000] \$82,882,000: Provided,** That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improve-

ments to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further,* That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further,* That in the State of Missouri, where the State has established a central State agency authorized to enter into agreements with the United States or any of its agencies on policies and general programs for the saving of its soil by the extension of Federal aid to any soil conservation district in such State, the agreements made by or on behalf of the United States with any such soil conservation district shall have the prior approval of such central State agency before they shall become effective as to such district: *Provided further,* That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f), in demonstration projects: *Provided further,* That not to exceed \$5,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service. (5 U.S.C. 133t, 511-512, 565a; 7 U.S.C. 1387, 1807; 16 U.S.C. 590q-1; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, **\$82,322,000**

Estimate 1961, **\$82,882,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct program costs:			
1. Assistance to soil conservation districts and other cooperators (total direct program costs).....	\$80,315,620	\$82,322,000	\$82,882,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—1,182,152	—	—
Total direct program (obligations).....	79,133,468	\$2,322,000	\$2,882,000
Reimbursable costs—obligations:			
1. Assistance to soil conservation districts and other cooperators: Technical services to agricultural conservation program participants.....	3,991,707	7,547,742	7,500,000
Total program (obligations).....	83,125,175	89,869,742	90,382,000
Financing:			
1959 program obligated in 1958.....	846,814	—	—
Advances and reimbursements from other accounts.....	—3,991,707	—7,547,742	—7,500,000
Unobligated balance no longer available.....	902,513	—	—
New obligational authority.....	80,882,800	\$2,322,000	\$2,882,000
New obligational authority:			
Appropriation.....	\$74,780,000	\$82,322,000	\$82,882,000
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 51).....	6,102,800	—	—
Appropriation (adjusted).....	80,882,800	\$2,322,000	\$2,882,000

¹ Includes capital outlay as follows: June 30, 1959, \$2,587,330; 1960, \$2,100,000; 1961, \$2,100,000.

1. Assistance furnished soil conservation districts and other cooperators consists primarily of: (a) standard soil surveys and special soils investigations to provide physical land facts needed for farm and ranch conservation planning and application of practices and by other Federal, State, and local agencies and the public;

MAIN WORKLOAD FACTORS

[In millions of acres]

Type of survey	Total as of June 30, 1958	1959 actual	1960 estimate	1961 estimate
Soil surveys.....	575.1	48.0	52.0	55.0
Range surveys.....	78.9	14.0	15.0	15.0

(b) technical assistance to farmers and ranchers in planning individual conservation programs for orderly adjustment of the use and treatment of their land; (c) management consultation and other technical assistance in installing the conservation practices provided for in their farm and ranch conservation plans;

MAIN WORKLOAD FACTORS

	1959 actual	1960 estimate	1961 estimate
Number of soil conservation districts-----	2,861	2,891	2,911
Number of soil conservation district coopera- tors-----	1,859,439	1,900,000	1,950,000
Soil conservation district cooperators having farm and ranch conservation plans-----	1,279,634	1,325,000	1,375,000
Number of cooperators applying conservation practices-----	647,107	662,000	687,000

(d) technical assistance to group enterprises on soil conservation and water control problems that can only be solved by group action; (e) granting to soil conservation districts of special equipment acquired from Federal Government surplus and needed in the application of conservation practices; (f) streamflow forecasts, developed from snow surveys in the Western States, which serve as a basis for planning for efficient seasonal use of water; (g) the selection and testing of promising plant materials to determine their suitability for erosion control purposes; (h) technical assistance to agricultural conservation program participants in establishing specified conservation practices; (i) technical assistance to conservation reserve program participants in planning and applying specified conservation practices; and (j) technical assistance in planning and applying the practices for which soil and water conservation loans are made by the Farmers Home Administration.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Direct costs:				
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)-----	\$126,326	\$139,464	\$139,464	\$139,464
Unpaid undelivered orders (appro- priation balances obligated for goods and services on order not yet received)-----	2,270,646	1,039,169	1,039,169	1,039,169
Total selected resources at end of year-----	2,396,972	1,178,633	1,178,633	1,178,633
Selected resources at start of year (—)	—2,396,972	—1,178,633	—1,178,633	—1,178,633
Adjustment of prior year costs and selected re- sources reported at start of year-----		36,187		
Costs financed from obligations of other years, net (—)-----		—1,182,152		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions-----	13,283	13,562	13,563
Full-time equivalent of all other positions-----	804	1,067	1,124
Average number of all employees-----	12,115	12,976	13,032
Number of employees at end of year-----	14,670	14,936	15,070
Average GS grade and salary-----	6.7 \$5,491	6.9 \$5,520	6.9 \$5,556
Personal service obligations:			
Permanent positions-----	\$63,571,539	\$67,216,785	\$67,801,700
Positions other than permanent-----	2,825,899	3,765,143	3,991,500
Other personal services-----	506,119	782,288	549,800
Total personal service obligations-----	66,903,557	71,764,216	72,343,000
Direct obligations:			
01 Personal services-----	64,210,431	66,001,000	66,585,000
02 Travel-----	2,153,458	2,300,000	2,320,000
03 Transportation of things-----	365,617	410,000	410,000
04 Communication services-----	904,367	906,000	910,000
05 Rents and utility services-----	1,852,100	1,900,000	1,860,000
06 Printing and reproduction-----	444,080	470,000	475,000
07 Other contractual services-----	503,151	510,000	1,027,000
Services performed by other agen- cies-----	109,644	210,000	150,000
08 Supplies and materials-----	3,059,913	3,190,000	3,100,000
09 Equipment-----	2,162,648	2,200,000	1,700,000
10 Lands and structures-----	14,630		
11 Grants, subsidies, and contributions-----	4,076,961	4,100,000	4,200,000
13 Refunds, awards and indemnities-----	80,027	80,000	80,000
15 Taxes and assessments-----	48,934	50,000	70,000
1959 program obligated in 1958-----	—846,814		
Subtotal-----	79,139,147	82,327,000	82,887,000
Deduct quarters and subsistence charges-----	5,679	5,000	5,000
Total direct obligations-----	79,133,468	82,322,000	82,882,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Reimbursable obligations:			
01 Personal services-----	\$2,693,126	\$5,763,216	\$5,758,000
02 Travel-----	9,297	23,681	24,000
04 Communication services-----	226		
06 Printing and reproduction-----	1,111	1,066	1,000
07 Other contractual services-----	812,342	1,169,260	1,143,300
08 Supplies and materials-----	322,343	276,270	259,500
11 Grants, subsidies, and contributions-----	143,440	290,141	290,000
15 Taxes and assessments-----	9,822	24,108	24,200
Total reimbursable obligations-----	3,991,707	7,547,742	7,500,000
Total obligations-----	83,125,175	89,869,742	90,382,000

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001–[1007] 1003), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–[590]f), to remain available until expended, [\$22,750,000] \$27,750,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That not to exceed \$100,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That annual accrued expenditures under this appropriation account, covering amounts becoming payable as a result of obligations incurred both in the current fiscal year and in prior fiscal years, shall not exceed \$37,400,000: *Provided further*, That this limitation shall not include annual accrued expenditures attributable to reimbursable work performed under this appropriation account. (5 U.S.C. 511–512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$22,750,000

Estimate 1961, \$27,750,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Investigations and planning-----	\$4,664,033	\$4,900,000	\$3,500,000
2. Installation of works of improvement-----	14,200,505	22,815,581	28,260,000
3. Loans and related expense-----	59,954	900,000	1,140,000
4. Surveys and investigations of water resources programs-----	888,508	1,100,000	1,100,000
Total accrued expenditures ¹ -----	19,813,000	29,715,581	34,000,000
Unpaid undelivered orders brought forward-----	—5,232,748	—18,188,617	—18,500,000
Unpaid undelivered orders carried forward-----	18,188,617	18,500,000	14,500,000
Total program (obligations)-----	32,768,869	30,026,964	30,000,000
Financing:			
Unobligated balance brought forward-----	—16,795,833	—9,526,964	—2,250,000
Unobligated balance carried forward-----	9,526,964	2,250,000	
Appropriation (new obligational au- thority)-----	25,500,000	22,750,000	27,750,000

¹ Includes capital outlay as follows: June 30, 1959, \$752,933; 1960, \$229,500; 1961, \$230,000.

The Department cooperates with the States and other agencies in planning and installing works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water. It provides loans to local organizations to help them finance their share of the cost of certain works of improvement. The Department also cooperates with other agencies in making surveys and investigations of watersheds of rivers and other waterways as the basis for the development of coordinated programs.

SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

WATERSHED PROTECTION—Continued

MAIN WORKLOAD FACTORS

Activity	1957 actual	1958 actual	1959 actual	1960 estimate	1961 estimate
Applications:					
Received, current year	105	175	261	275	300
Received, cumulative at end of year	712	887	1,148	1,423	1,723
Not suitable for planning, cumulative at end of year	280	300	315	330	345
Planning:					
Authorized, current year	96	96	82	100	70
Authorized, cumulative	268	364	446	546	616
Suspended or terminated, cumulative	(39)	(71)	(67)	(70)	(80)
Planning in process at end of year	187	193	199	196	140
Remaining to be planned at end of year	164	223	387	547	762
Operations:					
Authorized, current year	29	58	80	80	54
Authorized, cumulative	42	100	180	260	310
Completed, current year	---	2	3	5	15
Completed, cumulative	---	2	5	10	25
In process at end of year	---	98	175	250	285

1. *Investigations and planning.*—Surveys are made by the Department of proposed small watershed projects, and work plans are prepared in cooperation with the local sponsors. These plans outline the proposed works of improvement and include the estimated costs, a cost-benefit analysis, cost-sharing and maintenance arrangements, a proposed schedule of operations, and other facts necessary to determine whether Federal participation in project development should be approved.

2. *Installation of works of improvement.*—Assistance is provided to local organizations to install improvement measures for flood prevention and water management in accordance with approved watershed work plans.

Public Law 566 watersheds.—After local sponsoring organizations have developed watershed work plans with the Department's assistance and the projects have been approved as suitable for Federal participation (projects involving an estimated Federal contribution in excess of \$250,000, or any single structure having a capacity in excess of 2,500 acre-feet require congressional approval), technical services and cost-sharing assistance are provided for specified works of improvement. Detailed construction plans and specifications are prepared. On non-Federal lands the local sponsoring organizations contract for the construction work; provide land easements and rights-of-way; operate and maintain the projects; and in the case of multiple-purpose structures, bear a share of the construction costs. The initiation of installation of works of improvement in new projects requires administrative approval in two stages: (a) approval for advance engineering and other technical assistance only, and (b) approval for construction of structural measures.

The advance engineering and technical assistance stage includes surveys, investigations, and preparation of detailed designs, specifications, and engineering cost estimates for construction of structural works. It also includes precise delineation of required easement areas. Technical and other assistance for planning and applying land treatment measures for watershed protection and flood prevention is provided in some cases.

The project-construction stage begins with execution of the first project agreement for construction of works of improvement, after required easements are obtained or are assured and the local organization has met all other requirements. Under a project agreement the local sponsoring organization agrees to construct a segment of the project which may consist of an individual or an interrelated group of structures. The agreement obligates the Government to furnish its share of the construction cost. Funds are advanced to the local organization as

segments of work are completed. Engineering and other services are provided for the preparation of contracts and specifications, awarding of contracts, and supervision and inspection of construction. Technical assistance with land treatment measures is continued.

The following table shows the status of Public Law 83-566 projects with respect to approvals for advance engineering and technical assistance and for construction:

Explanation	1959 actual		1960 estimate		1961 estimate	
	Num-ber	Amount	Num-ber	Amount	Num-ber	Amount
Projects approved for advance engineering and technical assistance (number and estimated cost of completion, unless otherwise indicated):						
Projects underway at beginning of year	53	\$29,925	73	\$50,840	118	\$92,940
Projects initiated during the year	80	71,572	80	78,000	50	50,000
Subtotal	133	101,497	153	128,840	168	142,940
Deduct projects approved for construction during the year	60	47,977	35	30,900	32	28,900
Net projects approved	73	53,520	118	97,940	136	114,040
Deduct amounts obligated during the year for advance engineering and technical assistance	---	2,680	---	5,000	---	5,635
Total, projects receiving only advance engineering and technical assistance at end of year	73	50,840	118	92,940	136	108,405
Projects approved for construction (number and estimated cost of completion, unless otherwise indicated):						
Projects underway at beginning of year	45	12,906	102	42,349	132	60,472
Projects initiated during the year	60	47,977	35	30,900	32	28,900
Total, projects under construction during the year	105	60,883	137	73,249	164	89,372
Deduct amounts obligated during the year for works of improvement on—						
(a) Projects approved for construction during the year	---	12,429	---	5,300	---	5,000
(b) Projects completed during the year	3	73	5	62	15	450
(c) Continuing prior year projects	---	6,032	---	7,415	---	10,815
Total, projects under construction at end of year	102	42,349	132	60,472	149	73,107
Grand total, projects in progress at end of year	175	93,189	250	153,412	285	181,512

The 1960 program contemplates starting 35 new watershed projects. The increase of \$5,000,000 in the 1961 estimates will be used to initiate construction work on an estimated 32 additional watershed projects involving total Federal costs of approximately \$28,900,000.

Uniform cost-sharing legislation is recommended which would provide that non-Federal interests receiving identifiable flood protection benefits from flood control or flood prevention projects should bear at least 30% of the costs. The value of lands, easements, and rights-of-way contributed locally would be included as part of the non-Federal share. Operation and maintenance would be a State or local responsibility. The legislation would apply to Public Law 566 projects and, if enacted prior to construction, would decrease by an estimated \$4.6 million the total Federal costs of projects expected to be put under construction in 1961.

Pilot demonstration watersheds.—The following table shows the status of the pilot watershed projects which were initiated in 1954 to demonstrate and evaluate the effects of works of improvement installed in small watersheds for watershed protection and flood prevention. The budget estimate reflects reductions due to completion of some pilot projects.

[Dollars in thousands]

Explanation	1959 actual		1960 estimate		1961 estimate	
	Num- ber	Amount	Num- ber	Amount	Num- ber	Amount
Active projects at beginning of year and estimated completion cost.....	39	\$15,224	30	\$9,646	15	\$4,396
Deduct amounts obligated during the year for—						
(a) Projects completed during the year.....	9	96	15	1,665	11	1,387
(b) Other projects.....	--	5,482	--	3,585	--	1,113
Total, projects in progress at end of year and estimated completion cost.....	30	9,646	15	4,396	4	1,896

3. *Loans and related expenses.*—Loans are made to local organizations to finance the local share of the cost of works of improvement installed in the small watersheds. Repayment with interest is required within 50 years after the principal benefits of improvements first become available.

4. *Surveys and investigations of water resources programs.*—Current work includes participation with the Corps of Engineers in the Potomac River Basin, the upper Mississippi River area, the Delaware River area, and the Cape Fear watershed in North Carolina, and with the Department of the Interior in reappraising the agricultural benefits anticipated from the upper Colorado River storage project. Surveys are also being made of part of the Kansas River area in cooperation with the Kansas State water board, the Yazoo-Mississippi flood plain area with the Mississippi State board of water commissioners, and the Huron River Basin in Michigan with the Huron River watershed intergovernmental committee. Some cooperative assistance is being provided to the river basin study commissions for the Southeast and the Texas river areas.

Accrued expenditure limitation.—This appropriation contains, for the first time, a limitation on accrued expenditures in accordance with Public Law 85-759, approved August 25, 1958.

For construction activities financed from this appropriation, costs and accrued expenditures occur when work is in place. Since this estimate is being prepared so far in advance of the putting into place of works of improvement by contractors of the local sponsoring organizations, the amount of the limitation is 10% above the amount of accrued expenditures shown in the schedules. This will provide flexibility needed because of possible difficulties in scheduling the rate of contractors' work.

Object Classification

	1959 actual	1960 estimate	1961 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	1,440	1,725	2,014
Full-time equivalent of all other positions.....	195	239	244
Average number of all employees.....	1,586	1,853	2,094
Number of employees at end of year.....	1,659	2,020	2,239
Average GS grade and salary.....	6.7 \$5,491	6.9 \$5,520	6.9 \$5,556
01 Personal services:			
Permanent positions.....	\$8,091,147	\$9,500,000	\$10,920,000
Positions other than permanent.....	662,426	820,000	874,000
Other personal services.....	146,729	240,000	186,000
Total personal services.....	8,900,302	10,560,000	11,980,000
02 Travel.....	765,049	835,000	875,000
03 Transportation of things.....	61,928	70,000	75,000
04 Communication services.....	126,062	135,000	140,000
05 Rents and utility services.....	167,154	182,000	183,000
06 Printing and reproduction.....	149,515	171,000	170,000
07 Other contractual services.....	4,017,568	3,687,000	2,100,000
Services performed by other agencies.....	192,744	240,000	240,000
08 Supplies and materials.....	368,577	375,000	375,000
09 Equipment.....	589,733	600,000	600,000
11 Grants, subsidies, and contributions.....	15,909,322	10,591,471	10,739,760
13 Refunds, awards, and indemnities.....	6,488	9,000	10,000
15 Taxes and assessments.....	15,141	20,000	22,500
Total, Soil Conservation Service.....	31,269,583	27,478,471	27,510,260

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	76	79	79
Full-time equivalent of all other positions.....	25	34	29
Average number of all employees.....	106	121	118
Number of employees at end of year.....	90	100	104
Average GS grade and salary.....	7.2 \$5,869	7.3 \$5,891	7.3 \$5,909
Average salary of ungraded positions.....	\$4,553	\$4,754	\$4,754
01 Personal services:			
Permanent positions.....	\$526,462	\$583,429	\$601,836
Positions other than permanent.....	96,835	130,284	110,967
Other personal services.....	3,241	5,239	2,983
Total personal services.....	626,538	718,952	715,786
02 Travel.....	75,493	111,359	111,610
03 Transportation of things.....	3,508	4,230	4,200
04 Communication services.....	5,921	10,210	10,200
05 Rents and utility services.....	4,267	5,592	5,500
06 Printing and reproduction.....	952	1,200	1,000
07 Other contractual services.....	133,429	212,795	214,900
Services performed by other agencies.....	39,528	60,396	60,000
08 Supplies and materials.....	27,354	55,076	55,505
09 Equipment.....	22,546	19,644	19,000
11 Grants, subsidies, and contributions.....	155,773	396,873	359,854
13 Refunds, awards, and indemnities.....	555	500	500
15 Taxes and assessments.....	1,419	1,816	1,835
16 Investments and loans.....	402,500	950,000	930,000
Subtotal.....	1,499,783	2,548,643	2,489,890
Deduct quarters and subsistence charges.....	497	150	150
Total, allotment accounts.....	1,499,286	2,548,493	2,489,740
Total obligations.....	32,768,869	30,026,964	30,000,000
Obligations are distributed as follows:			
Soil Conservation Service.....	\$31,269,583	\$27,478,471	\$27,510,260
Forest Service.....	694,622	1,111,000	1,050,000
Agricultural Research Service.....	279,817	317,215	318,000
Farmers Home Administration.....	427,454	1,000,000	1,000,000
Department of the Interior.....	97,393	120,278	121,740

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including not to exceed \$100,000 for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended, **[\$18,000,000]** \$15,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated. (5 U.S.C. 511-512; *Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, \$18,000,000

Estimate 1961, \$15,000,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Works of improvement (total program costs) ¹	\$15,415,385	\$20,975,987	\$15,800,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—).....		—129,995	—800,000
Obligations incurred for costs of other years (unpaid undelivered orders), net.....	1,114,985		
Total program (obligations).....	16,530,370	20,845,992	15,000,000
Financing:			
Unobligated balances brought forward.....	—1,376,362	—2,845,992	
Unobligated balance carried forward.....	2,845,992		
Appropriation (new obligational authority).....	18,000,000	18,000,000	15,000,000

¹ Includes capital outlay as follows: June 30, 1959, \$1,022,549; 1960, \$850,000; 1961, \$400,000.

SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

FLOOD PREVENTION—Continued

1. The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement in the various subwatersheds of the 11 watersheds authorized by the Flood Control Act of 1944. Measures primarily for flood prevention such as floodwater retarding and sediment control structures, debris barriers and basins, deflectors, diversion ditches and dikes, streambank protection, and other improvements are being installed on a cost-sharing basis. On non-Federal lands, local organizations provide lands, easements, and rights-of-way; operate and maintain the completed projects; and, in some cases, bear a share of construction costs. Work is generally done by local contractors. Land treatment measures which contribute to flood prevention are installed by landowners with technical and other assistance furnished by the Department.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders (representing primarily the uncompleted portion of contracts for the installation of flood prevention measures) are as follows: 1958, \$4,715,010; 1959, \$5,829,995; 1960, \$5,700,000; 1961, \$4,900,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	841	902	881
Full-time equivalent of all other positions.....	173	189	165
Average number of all employees.....	904	987	877
Number of employees at end of year.....	1,103	1,189	1,133
Average GS grade and salary.....	6.7 \$5,491	6.9 \$5,520	6.9 \$5,556
01 Personal services:			
Permanent positions.....	\$3,845,146	\$4,233,460	\$3,802,000
Positions other than permanent.....	573,975	648,540	551,000
Other personal services.....	86,417	140,000	80,000
Total personal services.....	4,505,538	5,022,000	4,433,000
02 Travel.....	190,159	235,000	185,000
03 Transportation of things.....	22,024	33,000	20,000
04 Communication services.....	59,773	68,000	60,000
05 Rents and utility services.....	99,703	105,000	100,000
06 Printing and reproduction.....	47,941	65,000	50,000
07 Other contractual services.....	8,036,397	11,493,069	7,064,500
Services performed by other agencies.....	47,453	165,000	95,000
08 Supplies and materials.....	511,484	510,000	505,000
09 Equipment.....	234,726	199,000	185,000
11 Grants, subsidies, and contributions.....	534,539	650,000	550,000
13 Refunds, awards, and indemnities.....	4,334	5,000	5,000
15 Taxes and assessments.....	12,468	15,000	12,500
Total, Soil Conservation Service.....	14,306,629	18,565,069	13,265,000
ALLOTMENT TO FOREST SERVICE			
Total number of permanent positions.....	144	144	144
Full-time equivalent of all other positions.....	184	191	125
Average number of all employees.....	314	314	248
Number of employees at end of year.....	201	219	219
Average GS grade and salary.....	6.8 \$5,583	6.9 \$5,617	6.9 \$5,614
Average salary of ungraded positions.....	\$4,553	\$4,754	\$4,754
01 Personal services:			
Permanent positions.....	\$636,488	\$615,431	\$615,431
Positions other than permanent.....	522,748	543,996	361,800
Other personal services.....	25,599	25,949	16,569
Total personal services.....	1,184,835	1,185,376	993,800
02 Travel.....	27,909	32,785	22,000
03 Transportation of things.....	3,519	10,000	7,000
04 Communication services.....	13,322	12,000	8,000
05 Rents and utility services.....	20,666	19,970	13,000
06 Printing and reproduction.....	89	25	100
07 Other contractual services.....	144,105	205,207	136,000
Services performed by other agencies.....	377,408	386,631	255,000
08 Supplies and materials.....	252,042	264,545	174,100
09 Equipment.....	36,118	37,000	27,000
10 Lands and structures.....	86,519	75,500	50,000
11 Grants, subsidies, and contributions.....	94,974	73,081	73,000
13 Refunds, awards, and indemnities.....	4,058	3,200	2,000
15 Taxes and assessments.....	13,213	13,603	9,000
Subtotal.....	2,258,777	2,318,923	1,770,000
Deduct quarters and subsistence charges.....	35,036	38,000	35,000
Total, Forest Service.....	2,223,741	2,280,923	1,735,000
Total obligations.....	16,530,370	20,845,992	15,000,000

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), \$10,000,000, to remain available until expended. (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$10,000,000

Estimate 1961, \$10,000,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Great Plains conservation program (total program costs).....	\$5,862,955	\$6,847,774	\$8,000,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net.....	7,871,777	3,781,346	2,000,000
Total program (obligations).....	13,734,732	10,629,120	10,000,000
Financing:			
Unobligated balance brought forward.....	-4,363,852	-629,120	-----
Unobligated balance carried forward.....	629,120	-----	-----
Appropriation (new obligational authority).....	10,000,000	10,000,000	10,000,000

¹ Includes capital outlay as follows: June 30, 1959, \$18,850; 1960, \$10,275; 1961, \$10,000.

1. Cost-sharing contracts and technical assistance are offered by the Department to aid farmers and ranchers to develop and carry out long-range conservation plans designed to minimize climatic hazards and protect their lands from erosion and deterioration by natural causes. This is a voluntary program which supplements other conservation programs and activities in designated counties of the 10 Great Plains States. Cost-sharing contracts extend from 3 to 10 years and include a plan of operations for the farm or ranch and a time schedule for installing eligible conservation practices. All contracts must terminate by December 31, 1971. The maximum cost-share rate offered in any contract does not exceed 80% of the average cost of installing each eligible practice. A limitation of \$2,500 for cost shares for improving dams or ponds or for other irrigation practices is imposed. Producers are also limited to a maximum cost share of \$2,500 for each year the contract is in force, or \$25,000 for the maximum 10-year contract. The law limits the total cost shares that may be paid to producers to \$25 million for any one program year and \$150 million for the total program.

The producer who signs a Great Plains program contract is responsible for accomplishing his plan of operations as scheduled, and is encouraged to use all available sources of assistance under other local, State, or Federal programs that contribute to achieving conservation land treatment and economic stability of the farm or ranch unit.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders (representing primarily the uncompleted portion of contracts with farmers and ranchers for the installation of conservation practices) are as follows: 1958, \$3,346,877; 1959, \$11,218,654; 1960, \$15,000,000; 1961, \$17,000,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	150	181	181
Full-time equivalent of all other positions.....	28	29	31
Average number of all employees.....	319	310	311
Number of employees at end of year.....	230	264	265
Average GS grade and salary.....	6.7 \$5,491	6.9 \$5,520	6.9 \$5,556
01 Personal services:			
Permanent positions.....	\$1,659,469	\$1,625,000	\$1,632,000
Positions other than permanent.....	98,752	104,000	110,000
Other personal services.....	8,336	14,000	8,000
Total personal services.....	1,766,557	1,743,000	1,750,000

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
SOIL CONSERVATION SERVICE—continued			
02 Travel.....	\$76,666	\$75,000	\$75,000
03 Transportation of things.....	10,006	10,000	10,000
04 Communication services.....	22,799	22,500	22,500
05 Rents and utility services.....	10,997	11,000	11,000
06 Printing and reproduction.....	53,620	50,000	50,000
07 Other contractual services.....	165,138	101,000	100,000
Services performed by other agencies.....		75,500	71,276
08 Supplies and materials.....	60,539	56,000	56,000
09 Equipment.....	16,022	15,000	15,000
11 Grants, subsidies, and contributions.....	11,388,921	8,238,120	7,607,000
13 Refunds, awards, and indemnities.....	1,091	1,400	1,500
15 Taxes and assessments.....	1,920	2,576	2,700
Total, Soil Conservation Service.....	13,574,276	10,401,096	9,771,976
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	9	10	10
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	6	8	8
Number of employees at end of year.....	7	9	9
Average GS grade and salary.....	7.3 \$6,099	7.3 \$6,113	7.4 \$6,139
Average salary of ungraded positions.....	\$4,553	\$4,754	\$4,754
01 Personal services:			
Permanent positions.....	\$34,435	\$54,979	\$55,075
Positions other than permanent.....	1,729	1,759	1,759
Other personal services.....	157	389	211
Total personal services.....	36,321	57,127	57,045
02 Travel.....	3,912	6,918	6,728
03 Transportation of things.....	103	50	50
04 Communication services.....	411	890	890
06 Printing and reproduction.....	2,153	800	600
07 Other contractual services.....	95,183	154,338	154,953
Services performed by other agencies.....	17,714	1,350	1,350
08 Supplies and materials.....	733	1,993	1,850
09 Equipment.....	1,629	900	900
11 Grants, subsidies, and contributions.....	2,093	3,629	3,629
13 Refunds, awards, and indemnities.....	150		
15 Taxes and assessments.....	54	29	29
Total, allotment accounts.....	160,456	228,024	228,024
Total obligations.....	13,734,732	10,629,120	10,000,000
Obligations are distributed as follows:			
Soil Conservation Service.....	\$13,574,276	\$10,401,096	\$9,771,976
Forest Service.....	29,922	32,000	32,000
Office of Information.....	27,762	20,600	20,600
Agricultural Conservation Program Service.....	9,072	21,424	21,424
Commodity Stabilization Service.....	93,700	154,000	154,000

[WATER CONSERVATION AND UTILIZATION PROJECTS]

For expenses necessary to carry out the functions of the Department under the Acts of August 11, 1939, and October 14, 1940 (16 U.S.C. 590y-z-10), as amended and supplemented, June 28, 1949 (63 Stat. 277), and September 6, 1950 (7 U.S.C. 1033-39), relating to water conservation and utilization projects, to remain available until expended, \$75,000, which sum shall be merged with the unexpended balances of funds heretofore appropriated to said Department for the purpose of said Acts. (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$75,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Development of land for irrigation (total program costs).....	\$242,270	\$75,150	\$60,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (-).....		-150	
Obligations incurred for costs of other years (unpaid undelivered orders), net.....	112		
Total program (obligations).....	242,382	75,000	60,000
Financing:			
Unobligated balance brought forward.....	-17,185	-109,803	-109,803
Unobligated balance carried forward.....	109,803	109,803	49,803
Appropriation (new obligational authority).....	335,000	75,000	

The Service has been developing irrigation farming units for sale on the Eden Valley project in Wyoming, where the Bureau of Reclamation has constructed the water storage facility and the principal canals. All land leveling will have been completed by December 31, 1959, and all irrigation farming units are scheduled for sale by June 30, 1960. Technical assistance and guidance will be furnished to new settlers with respect to proper irrigation farming practices and soil and water conservation until the end of the 1961 crop season, unless the area of the project is earlier included within a soil conservation district. It is planned that the project office will be closed by December 31, 1961.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$38; 1959, \$150.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	16	6	6
Full-time equivalent of all other positions.....	18	1	1
Average number of all employees.....	36	11	9
Number of employees at end of year.....	27	7	7
Average GS grade and salary.....	6.7 \$5,491	6.9 \$5,520	6.9 \$5,556
01 Personal services:			
Permanent positions.....	\$97,863	\$55,500	\$44,100
Positions other than permanent.....	78,430	4,600	3,500
Other personal services.....	23,635	500	400
Total personal services.....	199,928	60,600	48,000
02 Travel.....	1,388	1,100	1,000
03 Transportation of things.....	348	300	200
04 Communication services.....	2,034	1,500	1,000
05 Rents and utility services.....	3,489	2,500	2,300
06 Printing and reproduction.....	930		
07 Other contractual services.....	1,126	700	1,000
08 Supplies and materials.....	28,054	6,040	4,700
09 Equipment.....	13	50	50
11 Grants, subsidies, and contributions.....	5,967	3,600	2,900
13 Refunds, awards, and indemnities.....	3	10	
15 Taxes and assessments.....	2,254	100	100
Subtotal.....	245,534	76,500	61,250
Deduct quarters and subsistence charges.....	3,152	1,500	1,250
Total obligations.....	242,382	75,000	60,000

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriation, as follows:
 "Conservation reserve program," Commodity Stabilization Service.
 "Mutual security—economic," funds appropriated to the President.
 "Plant acquisition and construction," Atomic Energy Commission.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Sale of maps and mosaics.....	\$531,395	\$569,978	\$585,000
2. Sale of personal property.....	361,300	490,388	485,000
3. Miscellaneous services to other accounts.....	1,355,017	1,230,595	1,258,000
4. Adjustment of prior year costs.....	-19,807		
Total program (costs—obligations).....	2,227,905	2,280,961	2,328,000
Financing:			
Advances and reimbursements from—			
Other accounts.....	1,633,454	1,478,134	1,524,000
Non-Federal sources.....	594,451	802,827	804,000
Total financing.....	2,227,905	2,280,961	2,328,000

NOTE.—Reimbursements from non-Federal sources above are from State, county, municipal, and private organizations for soil and water conservation work rendered under cooperative agreements (16 U.S.C. 590a-590f); from Government agencies, farmers, or other persons for reproduction of aerial and other photographs, mosaics, and soil and land use and other maps (7 U.S.C. 1387); and from proceeds of sale of personal property (40 U.S.C. 481(c)).

SOIL CONSERVATION SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	66	70	71
Full-time equivalent of all other positions.....	16	12	14
Average number of all employees.....	184	188	190
Number of employees at end of year.....	66	71	71
Average GS grade and salary.....	6.7 \$5,491	6.9 \$5,520	6.9 \$5,556
01 Personal services:			
Permanent positions.....	\$897,317	\$917,858	\$922,500
Positions other than permanent.....	57,838	43,272	49,500
Other personal services.....	39,458	33,820	33,000
Total personal services.....	994,613	994,950	1,005,000
02 Travel.....	58,426	61,800	64,000
03 Transportation of things.....	10,068	10,194	9,500
04 Communication services.....	4,579	4,846	5,000
05 Rents and utility services.....	74,418	64,896	65,200
06 Printing and reproduction.....	21,213	60,000	60,000
07 Other contractual services.....	437,193	418,182	439,700
08 Supplies and materials.....	232,731	190,948	200,000
09 Equipment.....	342,873	420,321	423,000
11 Grants, subsidies, and contributions.....	50,046	53,150	55,000
13 Refunds, awards, and indemnities.....	492	624	600
15 Taxes and assessments.....	1,253	1,050	1,000
Total obligations.....	2,227,905	2,280,961	2,328,000

AGRICULTURAL CONSERVATION PROGRAM
SERVICE

Current authorizations:

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to [16] 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, [\$241,500,000] \$242,600,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, [1959] 1960, carried out during the period July 1, [1958] 1959, to December 31, [1959] 1960, inclusive: *Provided*, That not to exceed \$26,832,950 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than [\$5,424,200] \$5,458,900 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amounts shall be available for administrative expenses in connection with the formulation and administration of the [1960] 1961 program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to [\$250,000,000] \$100,000,000, including administration, and no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): [*Provided further*, That no change shall be made in such 1960 program which will have the effect in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee: *Provided further*, That the proportion of the State fund initially allocated to any county for the 1960 program shall not be reduced from the distribution of such fund for the 1958 program year: *Provided*

further, That not to exceed 5 per centum of the allocation for the [1960] 1961 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the [1960] 1961 program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and \$1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, \$241,500,000

Estimate 1961, \$242,600,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct costs:			
1. Cost-sharing assistance to farmers.....	\$212,572,505	\$212,000,000	\$211,800,000
2. Repayment of loans from Commodity Credit Corporation.....	22,501,619	29,500,759	30,800,000
3. Adjustment of prior year costs.....	-164,233		
Total direct costs ¹	234,909,891	241,500,759	242,600,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	90,969		
Total direct obligations.....	235,000,860	241,500,759	242,600,000
Costs and obligations from amounts advanced by Commodity Credit Corporation: Cost-sharing assistance to farmers.....	40,000,000	38,200,000	19,200,000
Reimbursable costs—obligations: Cost-sharing assistance to farmers.....	444,000	444,000	444,000
Total program (obligations).....	275,444,860	280,144,759	262,244,000
Financing:			
Unobligated balance brought forward.....	-1,619	-759	
Advances and reimbursements from—Commodity Credit Corporation (loan).....	-40,000,000	-38,200,000	-19,200,000
Other accounts.....	-100,000	-140,000	-140,000
Non-Federal sources.....	-344,000	-304,000	-304,000
Unobligated balance carried forward.....	759		
Appropriation (new obligational authority).....	235,000,000	241,500,000	242,600,000

¹ Includes capital outlay as follows: June 30, 1959, \$11,100; 1960, \$10,000; 1961, \$10,000.

NOTE.—Reimbursements from non-Federal sources above are from proceeds of sale of aerial photographs (7 U.S.C. 1387).

The program is designed to encourage conservation by sharing with farmers and ranchers the cost of carrying out approved soil-building and soil- and water-conserving practices which farmers generally would not perform to the needed extent with their own resources. The rate of cost-sharing, which may be given in the form of conservation materials and services or a payment after completion of the practice, averages approximately 50% of the cost.

Conservation measures for which cost-sharing is offered include those which are primarily for (a) establishment of permanent protective cover, (b) improvement and protection of established vegetative cover, (c) conservation and disposal of water, (d) establishment of temporary vegetative cover, and (e) temporary protection of soil from wind and water erosion.

Under the 1958 program, new or additional practices were established on 1,083,706 farms and ranches, consisting of 33% of the cropland and 33% of all farmland in the United States. The following practices were installed under the 1958 program:

Dams and reservoirs.....	number.....	62,469
Drainage.....	acres.....	1,644,878
Leveling land to conserve irrigation water and control erosion.....	acres.....	345,532
Standard terraces.....	acres.....	855,861
Diversion and spreader terraces.....	miles.....	4,826
Stripcropping.....	acres.....	486,288
Control of competitive shrubs on range or pasture.....	acres.....	1,494,044
Tree planting.....	acres.....	323,892
Liming materials applied for soil-conserving grass and legume crops.....	tons.....	16,844,971
Permanent sod waterways.....	acres.....	48,866
Timber-stand improvement.....	acres.....	321,253
All vegetative cover.....	acres.....	12,661,735

Funds are distributed among the States on the basis of conservation needs. They are, in turn, distributed by the agricultural stabilization and conservation State committees to counties, and the agricultural stabilization and conservation county committees make commitments for conservation practice cost-sharing to eligible farmers and ranchers.

Loans from Commodity Credit Corporation are used to make advance payments to vendors for conservation materials and services furnished to farmers and ranchers prior to the time funds are appropriated each year. Repayment is made from balances of prior appropriations or from new funds appropriated.

The status of the loan account is:

AMOUNTS REPAYED OR ESTIMATED TO BE REPAYED ON COMMODITY CREDIT CORPORATION LOANS				
	1959 actual	1960 estimate	1961 estimate	Total
Balance of 1958 loan.....	\$22,500,000			\$22,500,000
1959 loan.....	10,500,000	\$29,500,000		40,000,000
1960 loan.....		7,400,000	\$30,800,000	38,200,000
Total.....	33,000,000	36,900,000	30,800,000	100,700,000
Interest.....	86,073	236,824	200,000	522,897

A program level of \$100 million for the 1961 crop year is proposed, a reduction of \$150 million below the 1960 program. It is anticipated that Federal cost-sharing assistance under the 1961 program will be directed toward conservation measures in each county which will contribute to less intensive use of cropland, and that assistance will be curtailed or eliminated for those conservation measures which will contribute to an early increase in production. Payments for the 1961 program will be made from the 1962 appropriation.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	\$64,607	\$80,400	\$80,400	\$80,400
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	431,991	342,934	342,934	342,934
Total selected resources at end of year.....	496,598	423,334	423,334	423,334
Selected resources at start of year (—).....	—496,598	—423,334	—423,334	—423,334
Adjustment of prior year costs and selected resources reported at start of year.....		164,233		
Obligations incurred for costs of other years, net.....		90,969		

Object Classification

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL CONSERVATION PROGRAM SERVICE			
Total number of permanent positions.....	64	68	67
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	62	66	66
Number of employees at end of year.....	68	71	70
Average GS grade and salary.....	7.9 \$6,806	7.9 \$6,779	7.9 \$6,812
Direct obligations:			
01 Personal services:			
Permanent positions.....	\$427,384	\$444,594	\$443,718
Positions other than permanent.....	3,343	3,232	3,240
Other personal services.....	1,644	3,419	1,708
Total personal services.....	432,371	451,245	448,666
02 Travel.....	30,842	42,000	42,000
03 Transportation of things.....	2,774	2,000	2,000
04 Communication services.....	7,526	7,500	7,500
06 Printing and reproduction.....	15,987	10,000	10,000
07 Other contractual services.....	1,404	1,466	5,582
Advanced to "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	23,445	23,655	23,655
Services performed by other agencies.....	8,659	6,000	6,000
08 Supplies and materials.....	6,537	6,100	6,163
09 Equipment.....	6,476	2,000	2,000
11 Grants, subsidies, and contributions.....	27,283	29,331	29,163
Cost-sharing assistance.....	208,685,472	213,584,834	214,684,075
13 Refunds, awards, and indemnities.....	400		
15 Taxes and assessments.....	313	328	328
Total direct obligations.....	209,249,489	214,166,459	215,267,132
Reimbursable obligations:			
11 Grants, subsidies, and contributions.....	40,444,000	38,644,000	19,644,000
Total, Agricultural Conservation Program Service.....	249,693,489	252,810,459	234,911,132
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	128	128	128
Full-time equivalent of all other positions.....	5	5	5
Average number of all employees.....	122	123	123
Number of employees at end of year.....	131	131	131
Average GS grade and salary.....	6.2 \$5,365	6.0 \$5,347	6.1 \$5,400
01 Personal services:			
Permanent positions.....	\$582,395	\$586,981	\$590,337
Positions other than permanent.....	16,477	13,414	13,289
Other personal services.....	3,987	5,718	3,536
Total personal services.....	602,859	606,113	607,162
02 Travel.....	12,453	15,300	15,300
03 Transportation of things.....	16,946	13,100	13,100
04 Communication services.....	4,983	5,540	5,480
05 Rents and utility services.....	15,990	27,102	27,102
06 Printing and reproduction.....	1,613	1,550	1,550
07 Other contractual services.....	308,778	327,382	329,690
Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	4,790,014	4,825,084	4,858,276
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388).....	19,753,361	21,295,131	21,259,777
Services performed by other agencies.....	10,954	11,700	11,700
08 Supplies and materials.....	167,230	159,217	158,400
09 Equipment.....	9,050	6,700	5,200
11 Grants, subsidies, and contributions.....	55,500	38,126	38,201
13 Refunds, awards, and indemnities.....	1,274	1,625	1,300
15 Taxes and assessments.....	366	630	630
Total, allotment accounts.....	25,751,371	27,334,300	27,332,868
Total obligations.....	275,444,860	280,144,759	262,244,000
Obligations are distributed as follows:			
Agricultural Conservation Program Service.....	\$249,693,489	\$252,810,459	\$234,911,132
Commodity Stabilization Service.....	25,621,750	27,203,190	27,201,028
Forest Service.....	129,621	131,110	131,840

EMERGENCY CONSERVATION MEASURES

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Emergency cost-sharing assistance to farmers (total costs—obligations) (object class 11).....	\$2,221,495	\$5,000,000	\$5,000,000
Financing:			
Unobligated balance brought forward.....		—15,856,254	—10,856,254
Unobligated balance carried forward.....	15,856,254	10,856,254	5,856,254
Reappropriation (new obligational authority).....	18,077,749		

AGRICULTURAL CONSERVATION PROGRAM SERVICE—Continued

Current authorizations—Continued

EMERGENCY CONSERVATION MEASURES—Continued

Cost-sharing assistance (up to 80% of the cost of carrying out approved practices) is offered to assist and encourage farmers to rehabilitate farmlands damaged by natural disasters. Assistance is available only when, as a result of wind erosion, floods, hurricanes, or other natural disasters, new conservation problems have been created which (a) if not treated, will impair or endanger the land; (b) materially affect the productive capacity of the land; (c) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and (d) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

Funds for emergency cost-sharing assistance are distributed among States on the basis of needs for restoration of damaged lands.

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:
"Conservation reserve program," Commodity Stabilization Service.
"Great Plains conservation program," Soil Conservation Service.

AGRICULTURAL MARKETING SERVICE

Current authorizations:

MARKETING RESEARCH AND SERVICE

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed \$10,000; \$17,500, except for two buildings to be constructed or improved at a cost not to exceed \$20,000; \$35,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$3,750; \$7,500 or 3 per centum of the cost of the building, whichever is greater:

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand for farm products, and for crop and livestock estimates, \$15,344,500; \$16,571,500: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop;

Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, [including the Packers and Stockyards Act, as amended September 2, 1958,] and for administration and coordination of payments to States, \$26,072,600, of which \$15,000 shall be available for range and feedlot market reporting in Colorado and adjacent areas and \$26,570,400, including not to exceed \$25,000 for employment at rates not to exceed \$50 per diem, except for employment in rate cases at not to exceed \$100 per diem pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946. (5 U.S.C. 511-512, 541a, 556b, 563-564, 575; 7 U.S.C. 51-65, 71-87, 91-99, 181-229, 241-273, 411, 411a, 411b, 414a, 415b-415e, 423, 440, 471-476, 491-497, 499a-499s, 501-508, 511-511q, 516, 581-589, 951-957, 1551-1610; 15 U.S.C. 251-257i; 21 U.S.C. 94a, 451-469;

26 U.S.C. 4851-4854, 4861-4865, 4871-4877, 6001, 6804, 7233, 7263, 7492, 7493, 7701; 31 U.S.C. 725d; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$41,417,100

Estimate 1961, * \$43,141,900

* Includes \$50,000 for activities previously carried under "Salaries and expenses," Agricultural Research Service. The amount obligated in 1960 is shown in the schedule as a comparative transfer.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Direct costs:			
1. Marketing research and agricultural estimates:			
(a) Marketing research.....	\$7,460,364	\$7,343,500	\$7,892,200
(b) Economic and statistical analysis.....	1,588,696	1,632,900	1,643,500
(c) Crop and livestock estimates.....	6,179,068	6,436,100	7,035,500
Total, marketing research and agricultural estimates.....	15,228,128	15,412,500	16,571,500
2. Marketing services:			
(a) Market news service.....	4,824,402	4,999,000	5,029,100
(b) Inspection, grading, classing, and standardization.....	13,996,591	18,195,000	18,393,500
(c) Freight rate services.....	180,311	190,000	191,200
(d) Regulatory activities.....	2,273,093	2,595,600	2,850,900
(e) Administration and coordination of State payments.....	68,867	75,000	75,400
Total, marketing services.....	21,343,264	26,054,600	26,570,400
Total direct costs ¹	36,571,392	41,467,100	43,141,900
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	90,152		
Total direct obligations.....	36,661,544	41,467,100	43,141,900
Reimbursable costs—obligations:			
2. Marketing services: (b) Inspection, grading, classing, and standardization ²	2,379,585	3,305,000	3,305,000
Total program (obligations).....	39,041,129	44,772,100	46,446,900
Financing:			
Comparative transfers from (—) other accounts.....		—50,000	
Advances and reimbursements from other accounts.....	—2,379,585	—3,305,000	—3,305,000
Unobligated balance no longer available.....	1,305,156		
New obligational authority.....	37,966,700	41,417,100	43,141,900
New obligational authority:			
Appropriation.....	\$34,854,000	\$41,417,100	\$43,141,900
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 34).....	3,112,700		
Appropriation (adjusted).....	37,966,700	41,417,100	43,141,900

¹ Includes capital outlay as follows: June 30, 1959, \$596,919; 1960, \$334,000; 1961, \$379,700.

² Includes capital outlay as follows: June 30, 1959, \$35,859; 1960, \$26,400; 1961, \$26,400.

The domestic agricultural marketing and distribution functions of the Department are concentrated primarily in the Agricultural Marketing Service. The marketing job has become more complex with growth and shift in population, technological developments in production and marketing, and as more functions have been transferred from the farm and home to various segments of the marketing system. The work under this appropriation is aimed at aiding in the orderly and efficient marketing and effective distribution of agricultural products from the Nation's farms to the consumers.

1. *Marketing research and agricultural estimates*—(a) *Marketing research*.—This work is aimed at developing practical answers to problems encountered in moving products from the farm to the consumer. In cooperation with public and private agencies and trade groups, efforts are made to expand markets, reduce losses from waste and spoilage, and reduce marketing costs through improved marketing efficiency and organization. The work includes research at each stage of marketing, such as at assembly points, terminal or central markets, and retail markets.

In 1959, research was conducted on more than 500 projects each aimed at a specific marketing research problem. Work was completed or discontinued on 109 projects and started on 77 new projects in 1959. The findings of this research were made public primarily through about 115 marketing research reports and other printed documents in addition to about 350 periodic reports, addresses, and extracted reprints in farm and trade journals. Additional dissemination of these results was obtained through articles reviewing research findings in various general and trade journals and approximately 100 press releases. During the year 40 new contracts providing for marketing research work by private firms and other non-Federal agencies were negotiated. In total, 59 contracts were active at the close of 1959. The proposed increase for 1961 would be used to find solutions to urgent problems dealing with the marketing and distribution system for agricultural products.

(b) *Economic and statistical analysis.*—This work involves the collection, analysis and interpretation of data affecting agricultural prices, farm income, supply and consumption of farm products, trends in farm population, and changes in the level of living of farm people. The results of these studies are made available through situation, outlook and research reports which serve as the basis for much of the economic work done by the Extension Service, farm organizations, businessmen, and organizations handling farm products. Farmers and others rely on information from these reports in planning the most profitable adjustments in their operations and marketing programs. Approximately 80 of the 90 outlook and situation reports published by the Department were issued under this activity. Further technical reporting of economic and statistical analysis activities was contained in about 34 reports published during 1959.

(c) *Crop and livestock estimates.*—This service provides the official estimates on agriculture, including acreage, yield, and production of crops, stocks and value of farm commodities, numbers and inventory value of livestock items, and prices paid and received by farmers. These data also are basic to computation of parity prices. Data on approximately 150 crop and livestock products are covered in more than 500 reports issued each year. The activity is conducted through 42 State offices serving 49 States, most of which are operated as joint State and Federal services. Cooperative arrangements permit the States to obtain a great deal of data which would not be collected or made available from Federal funds. During 1959, cooperating States expended an estimated \$1.34 million of their own funds on these associated State programs. A comparison of activity data for 1958 and 1959, including work performed under cooperative arrangements, is as follows:

	1958 actual	1959 actual
Separate mailings of inquiry forms, average per field office.....	340	344
Total questionnaires handled, all field and D.C. offices:		
Number distributed.....	9,300,000	9,500,000
Number of returns tabulated.....	2,850,000	2,900,000
Number of official reports issued, all offices.....	8,600	8,600
Copies of reports distributed.....	13,100,000	13,200,000
Publications distributed:		
Federal (mainly Agricultural Situation).....	3,100,000	3,100,000
State: Statistical and other.....	360,000	360,000
Special requests for information answered.....	73,000	75,000

The increase for 1961 would be used to put into effect some initial steps in the long-range program to improve crop and livestock estimating service, to expand the agricultural reporting service in Hawaii, and to initiate full-time service in Alaska.

2. *Marketing services*—(a) *Market news service.*—This service provides current information on supply, movement, and prices at specific markets for practically all agricultural commodities. This day-to-day market information enables American farmers to determine where and when to sell and at what price. The information is collected and disseminated at year-round and seasonal offices maintained in more than 100 cities and towns, often with financial support and cooperation of the States. Every available means of dissemination is used—mail, press, radio, television, telephone, telegraph, bulletin boards, and trade and farm publications.

MARKET NEWS SERVICE

	1957 actual	1958 actual	1959 actual
States covered by cooperative agreement.....	38	39	40
Field offices:			
Year-round.....	173	176	181
Seasonal.....	39	51	52
Buyers and sellers interviewed.....	19,608	21,734	21,742
Daily newspapers carrying reports (approximate).....	1,200	1,200	1,200
Stations broadcasting reports:			
Radio.....	1,461	1,460	1,470
Television.....	149	150	165
Mimeographed releases to growers, shippers, and others.....	32,244,428	28,844,077	25,733,345
Names on mailing list.....	303,651	302,646	295,139

(b) *Inspection, grading, classing, and standardization.*—Uniform standards of quality for agricultural products are established and applied to specific lots of produce to promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; encourage better preparation of products for market; and furnish consumers with more definite information on the quality of products they buy. The standards are applied directly by or under the supervision of Federal employees at the request of any interested party, and generally for a fee. Approximately 70% of the total cost of this work was offset by fees and other revenue in 1959, which are shown principally under "Agricultural Marketing Service trust funds" in part III of the budget.

The proposed increase for 1961 would be used to provide more effective supervision of the greatly expanded volume of inspections by licensees under the U.S. Grain Standards Act, as amended.

STANDARDIZATION ACTIVITIES

	1957 actual	1958 actual	1959 actual
Grade standards in effect.....	3,151	¹ 1,379	1,385
Number of commodities covered.....	268	276	277

¹ Reduction due to revised method of tabulating tobacco grades and types.

INSPECTION, GRADING, AND CLASSING ACTIVITIES UNDER APPROPRIATED FUNDS

	1959 actual	1960 estimate	1961 estimate
Cotton classings by Federal employees.....number..	16,520,319	17,500,000	17,500,000
Poultry products inspection:			
Volume inspected.....1,000 lbs..	3,293,271	7,496,874	7,991,643
Grain inspections by licensees.....number..	3,511,548	3,600,000	3,700,000
Volume inspected.....1,000 bu..	6,419,624	6,600,000	6,700,000
Tobacco auction markets.....number..	177	177	177
Volume inspected at markets.....million lbs..	1,765	1,850	1,850
Sets of buyers.....number..	240	240	240

(c) *Freight rate services.*—Assistance is provided to farmers and others in obtaining and maintaining equitable and reasonable transportation rates and services on farm products and supplies. The Department in 1959 participated in 79 formal litigation actions before the Interstate Commerce Commission and other regulatory bodies and carried on 60 informal negotiations with carriers and groups of carriers.

AGRICULTURAL MARKETING SERVICE—Continued

Current authorizations—Continued

MARKETING RESEARCH AND SERVICE—Continued

(d) *Regulatory activities.*—These include the administration of regulatory laws such as packers and stockyards, standard container, U.S. warehouse, and Federal seed, to assure fair play in the market place and protect producers and handlers of agricultural commodities from financial loss due to deceptive, careless, or fraudulent marketing practices. The continued growth of facilities and means for storing, buying, and selling results in more demand and need for protection and benefits of regulatory laws. The increase for 1961 would be used to provide for more adequate enforcement of the Packers and Stockyards Act, as amended; to initiate work on one aspect of the amendment to the Federal Seed Act approved August 1, 1958, relating primarily to labeling requirements; and to relieve the increasingly heavy workload on mandatory testing of seed offered for importation through north central U.S. ports of entry.

	1959 actual	1960 estimate	1961 estimate
Packers and Stockyards Act:			
Yards eligible for posting and supervision (estimated).....	2,300	2,300	2,300
Yards posted and supervised.....	1,528	2,200	2,300
Warehouse Act:			
Number of licensed warehouses.....	1,716	1,750	1,775
Capacity of licensed warehouses:			
Grain (million bushels).....	1,030.3	1,175.0	1,200.0
Cotton (million bales).....	13.3	13.6	13.6
Average number of supervisory inspections per warehouse.....	1.74	1.70	1.65
Seed Act:			
Import actions.....	16,472	17,000	18,500
Interstate investigations:			
Completed.....	769	850	850
Pending.....	736	900	1,050
Seed samples tested.....	20,018	20,800	23,800

(e) *Administration and coordination of State payments.*—This covers the activity required in administering and coordinating the marketing service work performed by the States and financed jointly by State funds and Federal funds provided by the appropriation "Payments to States and possessions." In 1959, this work was carried on in 42 States.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$1,277,691	\$1,251,123	\$1,251,123	\$1,251,123
Advances (payment for goods and services on order not yet received).....	7,500	5,000	5,000	5,000
Total selected resources at end of year.....	1,285,191	1,256,123	1,256,123	1,256,123
Selected resources at start of year (—).....	—1,285,191	—1,256,123	—1,256,123	—1,256,123
Adjustment of prior year costs and selected resources reported at start of year.....		119,220		
Obligations incurred for costs of other years, net..		90,152		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	7,020	7,183	7,350
Full-time equivalent of all other positions.....	286	383	419
Average number of all employees.....	4,847	5,723	5,907
Number of employees at end of year.....	5,402	5,903	6,072
Average GS grade and salary.....	7.2 \$5,732	7.3 \$5,753	7.3 \$5,748
Average salary of ungraded positions.....	\$4,260	\$4,367	\$4,392
Personal service obligations:			
Permanent positions.....	\$27,093,268	\$31,425,100	\$32,242,500
Positions other than permanent.....	1,087,520	1,406,200	1,540,600
Other personal services.....	186,715	494,300	393,500
Total personal service obligations.....	28,367,503	33,325,600	34,176,600

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
Direct obligations:			
01 Personal services.....	\$26,615,946	\$30,773,100	\$31,624,100
02 Travel.....	1,977,554	2,275,300	2,505,000
03 Transportation of things.....	287,257	205,400	212,100
04 Communication services.....	1,904,677	2,300,000	2,320,600
05 Rents and utility services.....	253,422	249,600	208,900
06 Printing and reproduction.....	571,087	595,800	609,300
07 Other contractual services.....	1,407,356	1,515,900	1,877,600
Services performed by other agencies.....	859,785	676,000	696,900
08 Supplies and materials.....	546,874	507,700	541,700
09 Equipment.....	540,591	328,800	410,900
10 Lands and structures.....		20,000	55,000
11 Grants, subsidies, and contributions.....	1,612,667	1,936,000	1,992,700
13 Refunds, awards, and indemnities.....	23,541	26,000	26,100
15 Taxes and assessments.....	60,787	57,500	61,000
Total direct obligations.....	36,661,544	41,467,100	43,141,900
Reimbursable obligations:			
01 Personal services.....	1,751,557	2,552,500	2,552,500
02 Travel.....	220,240	219,900	219,900
03 Transportation of things.....	66,849	29,300	29,300
04 Communication services.....	81,050	218,600	218,600
05 Rents and utility services.....	22,212	28,300	28,300
06 Printing and reproduction.....	16,652	16,200	16,200
07 Other contractual services.....	11,594	8,400	8,400
Services performed by other agencies.....	23,537	20,800	20,800
08 Supplies and materials.....	49,579	52,800	52,800
09 Equipment.....	38,593	21,700	21,700
11 Grants, subsidies, and contributions.....	88,458	117,700	117,700
13 Refunds, awards, and indemnities.....	952	2,100	2,100
15 Taxes and assessments.....	8,312	16,700	16,700
Total reimbursable obligations.....	2,379,585	3,305,000	3,305,000
Total obligations.....	39,041,129	44,772,100	46,446,900

PAYMENTS TO STATES[, TERRITORIES,] AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,195,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, \$1,195,000

Estimate 1961, \$1,195,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Payments for marketing service work (sec. 204(b) of the Agricultural Marketing Act of 1946) (total costs—obligations) (object class 11).....	\$1,160,000	\$1,195,000	\$1,195,000
Financing:			
Appropriation (new obligational authority).....	1,160,000	1,195,000	1,195,000

Payments are made on a matching fund basis to State marketing agencies for carrying out specifically approved programs designed to bring about improved marketing. Under this activity, marketing specialists work with farmers, marketing firms, and agencies in solving marketing problems and in putting to use marketing research results.

This program covers such projects as methods of maintaining and improving the quality of products; ways of reducing marketing costs; expanding outlets for surplus products; and the collection and dissemination of special State and local market information and statistics. Through this cooperative approach, the Federal Government's leadership and funds are coupled with State resources and experience to aid in the solution of the most urgent local and area marketing problems.

In 1960, with 42 States conducting about 115 projects, the program is being carried on generally at the same level as in 1959, except for an appropriation increase provided for potato marketing. For 1961, the program level will be the same as in 1960.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U.S.C. 1751-1760), \$110,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That **[\$43,657,-248]** \$40,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **\$110,000,000** Estimate 1961, **\$110,000,000**
Appropriated (adjusted) 1960, **\$153,657,248**
Estimate (adjusted) 1961, **\$150,000,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Food assistance:			
(a) Cash payments to States -----	\$93,774,611	\$93,600,000	\$93,600,000
(b) Commodity procurement -----	49,062,538	58,397,248	54,740,000
2. Operating expense -----	1,508,625	1,660,000	1,660,000
Total program costs ¹ -----	144,345,774	153,657,248	150,000,000
3. Relation of costs to obligations:			
Obligations incurred for costs of other years, net -----	79,236	-----	-----
Total program (obligations) -----	144,425,010	153,657,248	150,000,000
Financing:			
Unobligated balance no longer available -----	574,990	-----	-----
New obligational authority -----	145,000,000	153,657,248	150,000,000
New obligational authority:			
Appropriation -----	\$110,000,000	\$110,000,000	\$110,000,000
Transferred from "Removal of surplus agricultural commodities" (72 Stat. 194, 73 Stat. 173) -----	35,000,000	43,657,248	40,000,000
Appropriation (adjusted):			
Current -----	110,000,000	110,000,000	110,000,000
Permanent -----	35,000,000	43,657,248	40,000,000

¹ Includes capital outlay as follows: June 30, 1959, \$16,724; 1960, \$10,650; 1961, \$10,600.

1. *Food assistance*, in the form of both funds and food, is provided to States and possessions in serving lunches to schoolchildren. Each State's portion of the funds available is determined by a statutory formula which takes into account the number of school-age children in the State and the relationship between the per capita income of the State and the average U.S. per capita income.

The program is operated under an agreement entered into by the State educational agency (which administers the program within the State) and the Department of Agriculture. Schools make application to the State agency and if accepted are reimbursed for a part of the food cost of each meal served.

In 1959 the States contributed to this program \$690 million, most of which came from payments by children. This was far in excess of the \$237 million necessary to meet the statutory matching requirement of \$3 for each Federal dollar of cash payment.

In addition to providing cash assistance, this appropriation is used to purchase food for distribution to the schools according to their need under section 6 of the School Lunch Act. Transfers are made to this appropriation from the fund authorized under section 32 of the act of August 24, 1935, as amended, for the purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. Further, commodities acquired under price support programs and assistance through the special milk program are available to the schools. The volume of surplus commodities distributed to schools, however, is dependent upon market conditions and the need for the Federal Government to remove surpluses.

The program in 1959 during the peak month provided lunches to over 30% of the approximately 39.5 million schoolchildren in the country. The number of types A and B lunches served, which must meet established nutritional requirements, increased approximately 7% over 1958. Participation in the program in December 1958 reached 12.1 million children in 61,033 schools and an appreciable increase in number of participating children is expected in 1960 and 1961.

During 1959 about \$620 million worth of agricultural commodities were used in the program. About 18% of this amount represented commodities contributed under section 6 of the School Lunch Act and the Federal surplus removal and price support programs.

Participation in the program from 1958 through 1961 is as follows:

	1958 actual	1959 preliminary	1960 estimate	1961 estimate
Number of schools (month of peak participation) --	59,929	61,033	62,000	63,000
Number of schoolchildren (peak-thousands) --	11,493	12,124	12,800	13,500
Number of meals served ----- (millions) --	1,883	2,008	2,130	2,260

Financing of the program in the last 3 years was as follows:

	[In millions]		
	1957	1958	1959
State and local contributions (total, including payments by children) -----	\$573.5	\$634.9	¹ \$709.4
Federal appropriation:			
(a) Cash payments -----	83.8	83.7	93.9
(b) Commodity distribution (sec. 6) -----	14.7	14.8	42.7
Surplus commodity distribution -----	132.0	76.0	66.8
Special milk program -----	60.0	65.2	72.6
Federal contributions -----	290.5	239.7	276.0
Total, all contributions -----	864.0	874.6	985.4

¹ Preliminary.

2. *Operating expenses* consist of furnishing administrative and technical assistance to State agencies and participating schools; apportioning cash to States, Guam, Puerto Rico, and the Virgin Islands; administering directly the program for over 2,500 private schools where the State educational agency is prohibited by law from disbursing funds to such schools; procuring and distributing section 6 commodities; and formulating and administering overall policies and procedures, including audits and administrative reviews.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received) --	\$31,929	\$28,377	\$12,519	\$12,519
Selected resources at start of year -----	-----	-----	-----	-----
Adjustment of prior year costs and selected resources reported at start of year -----	-----	82,788	15,858	-----
Obligations incurred for cost of other years, net -----	-----	79,236	-----	-----

Object Classification

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions -----	163	175	175
Full-time equivalent of all other positions -----	-----	1	1
Average number of all employees -----	146	167	167
Number of employees at end of year -----	123	161	161
Average GS grade and salary -----	7.2 \$5,732	7.3 \$5,753	7.3 \$5,748
Average salary of ungraded positions -----	\$4,260	\$4,367	\$4,392
01 Personal services:			
Permanent positions -----	\$951,426	\$1,090,700	\$1,090,700
Positions other than permanent -----	1,127	2,900	2,900
Other personal services -----	7,923	12,600	9,400
Total personal services -----	960,476	1,106,200	1,103,000

AGRICULTURAL MARKETING SERVICE—Continued

Current authorizations—Continued

SCHOOL LUNCH PROGRAM—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL MARKETING SERVICE—CON.			
02 Travel.....	\$113,396	\$127,800	\$125,000
03 Transportation of things.....	1,446	1,600	1,500
04 Communication services.....	39,701	26,100	26,000
05 Rents and utility services.....	14,394	22,200	22,000
06 Printing and reproduction.....	14,955	24,600	18,000
07 Other contractual services.....	14,343	15,000	25,500
Services performed by other agencies.....	43,274	37,400	37,400
08 Supplies and materials.....	11,821	9,100	10,000
Grants of commodities to States.....		58,397,248	54,740,000
09 Equipment.....	9,384	8,400	9,000
11 Grants, subsidies, and contributions.....	57,450	65,100	66,000
Cash payments.....	93,853,219	93,600,000	93,600,000
13 Refunds, awards, and indemnities.....	760	600	600
15 Taxes and assessments.....	873	900	1,000
Total, Agricultural Marketing Service.....	95,135,492	153,442,248	149,785,000
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
Total number of permanent positions.....	40	45	45
Average number of all employees.....	33	40	40
Number of employees at end of year.....	14	15	15
Average GS grade and salary.....	6.1 \$5,338	5.9 \$5,315	6.0 \$5,374
01 Personal services:			
Permanent positions.....	\$173,810	\$177,025	\$178,800
Other personal services.....	668	1,475	1,200
Total personal services.....	174,478	178,500	180,000
02 Travel.....	732	750	1,000
03 Transportation of things.....	2,927	3,100	2,000
04 Communication services.....	5,485	5,600	4,600
05 Rents and utility services.....	9,045	9,200	7,600
06 Printing and reproduction.....	1,082	1,200	1,500
07 Other contractual services.....	1,777	2,000	3,500
08 Supplies and materials.....	2,104	2,400	2,500
Grants of commodities to States.....	49,080,046		
09 Equipment.....	573	710	300
11 Grants, subsidies, and contributions.....	10,798	11,050	11,500
13 Refunds, awards, and indemnities.....	338	350	400
15 Taxes and assessments.....	133	140	100
Total, Commodity Stabilization Service.....	49,289,518	215,000	215,000
Total obligations.....	144,425,010	153,657,248	150,000,000

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
 "Commodity Credit Corporation fund."
 "Mutual security—economic," funds appropriated to the President.
 "Salaries and expenses," Office of Civil and Defense Mobilization.

Permanent authorizations:

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

(Indefinite special fund)

Appropriated (est.) 1960, \$670,000 Estimate 1961, \$670,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Licensing dealers and handling complaints:			
Direct costs.....	\$679,340	\$749,300	\$775,300
Reimbursable costs.....	25,400	25,400	25,400
Total program costs ¹	704,740	774,700	800,700
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net.....	532		
Total program (obligations).....	705,272	774,700	800,700

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing:			
Unobligated balance brought forward.....	—\$394,627	—\$388,033	—\$308,733
Advanced from "Marketing research and service" (7 U.S.C. 499s).....	—25,400	—25,400	—25,400
Unobligated balance carried forward.....	388,033	308,733	203,433
Appropriation (new obligational authority).....	673,278	670,000	670,000

¹ Includes capital outlay as follows: June 30, 1959, \$1,594; 1960, \$1,900; 1961, \$2,200.

1. License fees are deposited in this special fund and are used to meet costs of administering the Perishable Agricultural Commodities, Produce Agency, and Export Apple and Pear Acts (7 U.S.C. 491–497, 499a–499s, 581–589).

These acts are aimed at assuring equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal settlements agreeable to both parties, (b) formal decisions involving payments of reparation awards between parties, and (c) suspension or revocation of license and/or publication of the facts. Approximately 25,000 licenses were in effect on June 30, 1959, and it is expected that licenses will remain at that level through 1961. Formal complaints have continued to increase and more than 2,500 are expected during the next fiscal year. Emphasis being directed to assist growers and shippers to correct or prevent misbranding of produce will tend to hold down the number of potential complaints. The increase in level of work in 1961 is primarily to strengthen the enforcement program including training of technical employees to replace employees now eligible for retirement.

2. *Relation of costs to obligations.*—The year-end balances of unpaid, undelivered orders are as follows: 1958, \$550; 1959, \$1,082; 1960, \$1,082; 1961, \$1,082.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	122	121	127
Full-time equivalent of all other positions.....	3	3	3
Average number of all employees.....	98	110	114
Number of employees at end of year.....	105	117	123
Average GS grade and salary.....	7.2 \$5,732	7.3 \$5,753	7.3 \$5,748
Average salary of ungraded positions.....	\$4,260	\$4,367	\$4,392
Direct obligations:			
01 Personal services:			
Permanent positions.....	\$557,617	\$613,482	\$636,362
Positions other than permanent.....	11,499	10,276	10,276
Other personal services.....	2,433	4,412	2,532
Total personal services.....	571,549	628,170	649,170
02 Travel.....	44,126	48,900	48,900
03 Transportation of things.....	75	1,000	500
04 Communication services.....	19,714	21,900	21,500
05 Rents and utility services.....	3,797	3,800	3,800
06 Printing and reproduction.....	9,986	11,300	11,200
07 Other contractual services.....	10,402	10,800	17,535
08 Supplies and materials.....	7,316	6,900	6,000
09 Equipment.....	1,829	2,200	1,000
11 Grants, subsidies, and contributions.....	10,771	13,950	15,315
15 Taxes and assessments.....	307	380	380
Total direct obligations.....	679,872	749,300	775,300
Reimbursable obligations:			
11 Grants, subsidies, and contributions.....	25,400	25,400	25,400
Total obligations.....	705,272	774,700	800,700

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(Indefinite)

Appropriated (est.) 1960, \$251,446,365

Estimate 1961, \$318,000,000

Appropriated (adjusted) 1960, \$200,302,475

Estimate (adjusted) 1961, \$270,661,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Commodity program payments:			
(a) Direct purchases.....	\$125,568,387	\$105,503,400	\$105,503,400
(b) Diversion payments.....	7,860,384		
2. Surplus removal operating expenses.....	2,372,871	2,646,600	2,646,600
3. Marketing agreements and orders.....	1,762,470	1,850,000	1,850,000
Total program costs ¹	137,564,112	110,000,000	110,000,000
4. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-16,139,858		
Total program (obligations).....	121,424,254	110,000,000	110,000,000
Financing:			
Comparative transfers to other accounts.....	2,420,534		
Unobligated balance brought forward.....	-300,000,000	-300,000,000	-300,000,000
Recovery of prior year obligations.....	-531,594		
Unobligated balance carried forward.....	300,000,000	300,000,000	300,000,000
Unobligated balance no longer available.....	72,837,054	90,302,475	160,661,000
New obligational authority.....	196,150,248	200,302,475	270,661,000
New obligational authority:			
Appropriation.....	\$235,936,663	\$251,446,365	\$318,000,000
Transferred to—			
"Promote and develop fishery products and research pertaining to American fisheries," Bureau of Commercial Fisheries, Department of the Interior (15 U.S.C. 713-c, as amended by act of Aug. 8, 1956).....	-4,786,415	-4,993,642	-4,800,000
"School lunch program," Agricultural Marketing Service (72 Stat. 194; 73 Stat. 173).....	-35,000,000	-43,657,248	-40,000,000
"Salaries and expenses," Foreign Agricultural Service (73 Stat. 173).....		-2,493,000	-2,539,000
Appropriation (adjusted).....	196,150,248	200,302,475	270,661,000

¹ Includes capital outlay as follows: June 30, 1959, \$38,073; 1960, \$30,000; 1961, \$50,000.

Under section 32 of the act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30% of customs receipts during each calendar year (except for an amount equal to 30% of such receipts collected on fishery products transferred to the Department of the Interior to encourage the distribution of fishery products), and unused balances up to \$300 million are available for expanding domestic and foreign market outlets for farm commodities. Transfers are made from this fund to the school lunch program for the purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. These funds are also authorized for the administration of marketing agreements and orders, and the section 22 import-control programs. The basic legislation provides that funds devoted to any one commodity or product thereof must not exceed 25% of funds available. It also provides that the funds must be devoted principally to perishable agricultural commodities other than those receiving price support under title II of the Agricultural Act of 1949, as amended. It has been determined that this provision can be legally satisfied by setting aside or reserving the principal portion of section 32 funds for the use of perishable nonbasic agricultural commodities when the occasion arises warranting their use for such purpose.

1. *Commodity program payments* include direct purchases which are donated to the school lunch program, charitable institutions serving needy persons, and persons

certified by welfare agencies as eligible for relief; diversion payments which enable processors to purchase surplus commodities on the domestic market, divert them to by-products and new uses, and sell them at prices comparable to competing products, thus creating new markets for surplus commodities; and export payments which enable exporters to purchase surplus commodities on the domestic market and sell them on the world market at competitive world prices (no funds were obligated for export programs in 1959). During the past 2 years assistance under these programs was given to the following commodity groups:

	[In millions]	
	1958	1959
Dairy products.....	\$121.7	\$101.2
Eggs and poultry.....	.1	6.4
Fruits.....	1.1	.1
Peanut butter.....	.9	1.1
Vegetables.....	2.4	7.6
Miscellaneous.....	-.1	.9
Total.....	126.1	117.3

The use of section 32 program funds is contingent upon economic conditions. The estimates for both 1960 and 1961 reflect in total the requirements based on the situation as now foreseen. Distribution of this total in advance would be highly tentative since the type of program to be used is dependent upon a determination at the time of the kind of action which will best meet the particular need which had developed. If troublesome surpluses not now foreseen should develop, steps would be taken to use additional available funds for their removal or diversion as conditions might warrant.

2. *Surplus removal operating expenses.*—These expenses are mainly in connection with purchasing, exporting, and diverting surplus commodities and in distributing section 32 and Commodity Credit Corporation commodities to eligible outlets. Distribution in 1959, including that under section 6 of the National School Lunch Act, is summarized below:

Distribution	Number of recipients (peak month) (millions)	Value of commodities distributed (millions)	Pounds of commodities distributed (millions)
By recipients:			
School children.....	14.1	\$109.5	453.5
Needy persons.....	5.7	107.0	706.8
Persons in charitable institutions.....	1.4	29.8	156.0
Foreign countries: 91.....		209.8	1,867.2
Total.....		456.1	3,183.5
By program:			
Sec. 32.....		118.1	317.1
Donation by Commodity Credit Corporation under sec. 416.....		295.3	2,662.6
Sec. 6, National School Lunch Act.....		42.7	203.8
Total.....		456.1	3,183.5

Supervisory assistance is furnished local and State groups to encourage the preservation of surpluses for year-round use. In cooperation with the food trade, press and radio, greater consumption of abundant foods is encouraged. In 1959, the monthly plentiful foods list contained an average of 10 foods, and 10 national and 18 area, State, and local drives were conducted.

3. *Marketing agreements and orders.*—These are put into effect upon request of producers or handlers after hearings and investigations, and approval by producers (and handlers in case of marketing agreements). They help to stabilize prices and benefit producers and consumers by establishing and maintaining orderly marketing conditions. Administration at the local level is financed by assessments upon handlers. On June 30, 1959, there were 78 orders in effect for milk and 37 covering tree fruits, tree nuts, and vegetables.

AGRICULTURAL MARKETING SERVICE—Continued**Permanent authorizations—Continued****REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES—Continued**

(Indefinite)—Continued

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)		\$1,535,699		
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	\$23,738,918	5,550,525	\$7,086,224	\$7,086,224
Total selected resources at end of year	23,738,918	7,086,224	7,086,224	7,086,224
Selected resources at start of year (—)	—23,738,918	—7,086,224	—7,086,224	—7,086,224
Adjustment of prior year costs and selected resources reported at start of year		512,836		
Costs financed from obligations of other years, net (—)		—16,139,858		

Object Classification

	1959 actual	1960 estimate	1961 estimate
AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions	522	495	495
Full-time equivalent of all other positions	3	3	3
Average number of all employees	435	454	454
Number of employees at end of year	466	464	464
Average GS grade and salary	7.2 \$5,732	7.3 \$5,753	7.3 \$5,748
Average salary of ungraded positions	\$4,260	\$4,367	\$4,392
01 Personal services:			
Permanent positions	\$2,918,222	\$3,061,400	\$3,061,400
Positions other than permanent	6,316	10,400	10,400
Other personal services	16,499	28,200	16,200
Total personal services	2,941,037	3,100,000	3,088,000
02 Travel	247,872	270,000	280,000
03 Transportation of things	3,769	8,500	8,500
04 Communication services	82,626	88,500	88,500
05 Rents and utility services	32,631	36,800	36,800
06 Printing and reproduction	45,559	66,600	73,600
07 Other contractual services	49,857	68,000	88,000
Services performed by other agencies	9,610	7,000	7,000
08 Supplies and materials	31,793	41,000	46,000
Grants of commodities to States		51,703,400	99,003,400
09 Equipment	31,101	26,000	36,000
11 Grants, subsidies, and contributions	186,025	196,000	196,000
Commodity program payments	889,126	1,500,000	1,500,000
13 Refunds, awards, and indemnities	2,483	3,600	3,600
15 Taxes and assessments	1,559	1,600	1,600
Total, Agricultural Marketing Service	4,555,048	57,117,000	104,457,000
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
Total number of permanent positions	76	93	86
Average number of all employees	59	75	68
Number of employees at end of year	45	55	54
Average GS grade and salary	6.1 \$5,338	5.9 \$5,315	6.0 \$5,374
01 Personal services:			
Permanent positions	\$322,058	\$391,500	\$358,500
Other personal services	1,411	3,000	1,400
Total personal services	323,469	394,500	359,900
02 Travel	6,270	7,650	7,150
03 Transportation of things	5,607	5,850	5,750
04 Communication services	10,273	17,150	12,150
05 Rents and utility services	37,270	38,350	36,150
06 Printing and reproduction	4,977	5,200	4,900
07 Other contractual services	3,018	4,700	8,400
Advanced to—			
“Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938” (7 U.S.C. 1392)	35,450	35,450	35,450
“Local administration, sec. 388, Agricultural Adjustment Act of 1938” (7 U.S.C. 1388)	20,000	43,000	43,000
08 Supplies and materials	3,336	4,200	3,800
Grants of commodities to States	108,927,240	35,300,000	
09 Equipment	1,068	1,650	1,600
11 Grants, subsidies, and contributions	20,361	23,150	22,750
Commodity program payments	7,470,001	17,000,000	5,000,000
13 Refunds, awards, and indemnities	784	2,000	1,900
15 Taxes and assessments	82	150	100
Total, Commodity Stabilization Service	116,869,206	52,883,000	5,543,000
Total obligations	121,424,254	110,000,000	110,000,000

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing**

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Statistical and tabulating services:			
Department of Agriculture	\$80,671	\$85,100	\$81,000
Other Federal agencies	3,739	35,800	25,800
2. Market news service:			
Department of Agriculture	665	846	854
State agencies under cooperative agreement	197,804	195,546	196,768
3. Inspection, grading, classing, and standardization:			
Department of Agriculture	277,296	64,998	65,433
Other Federal agencies	23,309	23,875	26,225
Non-Federal sources	1,427,329	1,496,560	1,598,835
4. Administration of special milk program	614,607	658,100	658,100
5. Wool marketing agreements	6,380	9,300	9,300
6. Storage research on Commodity Credit Corporation owned grains	126,141	110,100	110,100
7. Other services relating to programs administered by Commodity Stabilization Service	113,709	115,700	115,700
8. Miscellaneous services to other accounts	32,871	33,385	21,200
9. Prior year advances returned	32,994		
Total program costs ¹	2,937,515	2,829,310	2,909,315
10. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)	—25,457		
Total program (obligations)	2,912,058	2,829,310	2,909,315
Financing:			
Unobligated balance brought forward	22,045	17,355	
Advances and reimbursements from—			
Other accounts	1,284,841	1,110,049	1,103,912
Non-Federal sources	1,622,527	1,701,906	1,805,403
Unobligated balance carried forward	—17,355		
Total financing	2,912,058	2,829,310	2,909,315

¹ Includes capital outlay as follows: June 30, 1959, \$13,313; 1960, \$13,173; 1961, \$15,300.

NOTE.—Reimbursements from non-Federal sources above include amounts from co-operating universities and State, county, local, and private agricultural agencies (5 U.S.C. 563, 564); from States, municipalities, persons, or licensed tobacco inspectors for services rendered (7 U.S.C. 511e); from sale of photographic slides (7 U.S.C. 1387) and personal property (40 U.S.C. 481(c)); for overtime and holiday work performed at poultry processing plants and in connection with appeals inspections on grain (21 U.S.C. 468; 7 U.S.C. 78); from refund of terminal leave payments (5 U.S.C. 61b); from jury fees (5 U.S.C. 30p); and from importers in connection with reconditioning seed (7 U.S.C. 1582(a)). 1959 amounts exclude \$130,390 of unfilled orders from other accounts at end of year which will become reimbursements of a subsequent year.

10. *Relation of costs to obligations.*—The relationship is derived from year-end balances and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	\$7,025	\$4,826	\$4,826	\$4,826
Selected resources at start of year (—)		—7,025	—4,826	—4,826
Adjustment of prior year costs and selected resources reported at start of year		—23,258		
Costs financed from obligations of other years, net (—)		—25,457		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions	287	251	251
Full-time equivalent of all other positions	25	5	5
Average number of all employees	278	233	230
Number of employees at end of year	373	183	183
Average GS grade and salary	7.2 \$5,732	7.3 \$5,753	7.3 \$5,748
Average salary of ungraded positions	\$4,260	\$4,367	\$4,392
01 Personal services:			
Permanent positions	\$1,556,065	\$1,380,425	\$1,361,845
Positions other than permanent	84,779	34,692	34,907
Other personal services	796,386	1,024,112	1,121,490
Total personal services	2,437,230	2,439,229	2,518,242
02 Travel	130,894	111,970	105,070
03 Transportation of things	12,453	3,165	2,665
04 Communication services	92,406	83,534	83,034
05 Rents and utility services	31,280	24,264	24,264
06 Printing and reproduction	8,438	11,185	11,025
07 Other contractual services	19,902	25,707	39,482
Services performed by other agencies	14,882	762	762
08 Supplies and materials	30,373	35,383	33,883
09 Equipment	16,530	16,518	15,645
11 Grants, subsidies, and contributions	81,849	75,745	73,395
13 Refunds, awards, and indemnities	33,530	609	609
15 Taxes and assessments	2,291	1,239	1,239
Total obligations	2,912,058	2,829,310	2,909,315

FOREIGN AGRICULTURAL SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), **[\$3,518,300]** \$4,637,800: *Provided*, That not less than \$400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed **[\$2,493,000]** \$2,539,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service in carrying out the purposes of said section 32 **[:** *Provided further*, That, in addition, not to exceed the equivalent of \$1,310,000 in foreign currencies derived from sales under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, and made available to the Department of Agriculture, shall be available for expenses of the agricultural attaché service and for general operating expenses of the Foreign Agricultural Service in carrying out the purposes of section 104(a) of that Act]. (5 U.S.C. 511-512; 73 Stat. 606-607; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960:

Current, \$3,518,300

Permanent (adj.), \$2,493,000

Estimate 1961:

Current, \$4,637,300

Permanent (adj.), \$2,539,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Analysis of foreign agriculture and trade.....	\$1,201,504	\$1,266,200	\$1,315,000
2. Agricultural attachés.....	2,831,686	2,252,100	3,322,300
3. Foreign market promotion.....	2,139,369	2,248,000	2,293,000
4. Import controls.....	237,708	245,000	246,000
Total program costs ¹	6,410,267	6,011,300	7,176,300
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	91,281	-----	-----
Total program (obligations).....	6,501,548	6,011,300	7,176,300
Financing:			
Comparative transfer from "Removal of surplus agricultural commodities".....	-2,420,534	-----	-----
Unobligated balance no longer available.....	153,306	-----	-----
New obligational authority.....	4,234,320	6,011,300	7,176,300
New obligational authority:			
Appropriation.....	\$4,002,300	\$3,518,300	\$4,637,300
Transferred from—			
"Removal of surplus agricultural commodities" (73 Stat. 606-607 and 1961 appropriation act).....	-----	2,493,000	2,539,000
"Conservation reserve program," Commodity Stabilization Service (73 Stat. 34).....	232,020	-----	-----
Appropriation (adjusted):			
Current.....	4,234,320	3,518,300	4,637,300
Permanent.....	-----	2,493,000	2,539,000

¹ Includes capital outlay as follows: June 30, 1959, \$102,689; 1960, \$91,000; 1961, \$85,000.

The Foreign Agricultural Service administers programs and policies relating to foreign agriculture. It provides information and assistance as guides in the planning of production and marketing of U. S. agricultural commodities and helps smooth the channels through which exports move.

Direct appropriation—1. *Analysis of foreign agriculture and trade*.—Analyses are made of world trends in foreign

agricultural production, trade, price, finance, marketing, consumption, competition, commercial, and trade policies, and economic policies of foreign governments, as such trends affect U.S. foreign agricultural trade and the domestic economy. The Service directs and coordinates Department participation in the formulation of trade programs and agreements to stabilize and expand world trade in American agricultural products, and to reduce restrictive tariff and trade practices against import of American agricultural commodities. Recommendations for the departmental positions on trade agreements and international commodity agreements are formulated. Continuous review is made of the trade regulations and financial conditions of signatories to the General Agreement on Tariffs and Trade in American farm products. Policies, programs, positions, and standards of participation in public and private international organizations are developed.

2. *Agricultural attachés*.—A worldwide agricultural attaché program is conducted by the Department. Assistance is provided in development of markets abroad for U.S. agricultural commodities. A comprehensive schedule of foreign agricultural market and trade reporting to meet the needs of the American agricultural industry is maintained.

Transfer from Removal of surplus agricultural commodities—3. *Foreign market promotion*.—Maintenance and expansion of foreign markets for surplus agricultural products are promoted by (a) obtaining and analyzing information on foreign-market requirements and making such information available to farm and trade groups; (b) developing market programs for use by producers, exporters, and Government officials to maintain and expand the market abroad of U.S. farm products; (c) assisting domestic trade representatives in negotiations with foreign government officials, importers, and consumers, and bringing together American exporters and foreign importers under conditions favorable to trade; (d) developing agreements with foreign countries for sales of U.S. agricultural commodities under title I of Public Law 480, and followup on the shipments of those commodities; and (e) directing the operation of market development projects to further expand foreign markets for agricultural products with foreign currencies generated under title I of Public Law 480.

4. *Import controls*.—Importation of articles which interfere with programs carried out by the Department of Agriculture is investigated and the information is developed in accordance with section 22 of the Agricultural Adjustment Act, as amended. During 1959, investigations were conducted on 14 commodities and 3 recommendations were submitted to the President or the Tariff Commission. Under import controls for dairy products, a total of 1,792 licenses for imports of cheese were issued and 188 for manufactured dairy products other than cheese.

5. *Relation of costs to obligations*.—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$50,338	\$69,289	\$69,289	\$69,289
Selected resources at start of year (—).....	-----	-50,338	-69,289	-69,289
Adjustment of selected resources reported at start of year..	-----	72,330	-----	-----
Obligations incurred for costs of other years, net.....	-----	91,281	-----	-----

FOREIGN AGRICULTURAL SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	652	651	708
Full-time equivalent of all other positions.....	12	12	15
Average number of all employees.....	609	636	691
Number of employees at end of year.....	665	641	699
Average GS grade and salary.....	9.2 \$7,642	9.2 \$7,658	9.2 \$7,663
Average salary of ungraded positions.....	\$2,746	\$2,764	\$2,681
01 Personal services:			
Permanent positions.....	\$4,368,485	\$4,563,900	\$4,787,800
Positions other than permanent.....	48,999	49,000	51,400
Other personal services.....	164,585	177,100	270,800
Total personal services.....	4,582,069	4,790,000	5,110,000
02 Travel.....	383,587	296,000	446,000
03 Transportation of things.....	149,968	141,100	170,000
04 Communication services.....	72,086	71,400	72,000
05 Rents and utility services.....	45,783	49,000	80,000
06 Printing and reproduction.....	114,305	114,000	117,000
07 Other contractual services.....	51,505	62,700	103,000
Services performed by other agencies.....	667,959	71,000	632,000
08 Supplies and materials.....	38,362	29,800	36,000
09 Equipment.....	106,222	78,000	91,000
11 Grants, subsidies, and contributions.....	278,187	299,000	310,000
13 Refunds, awards, and indemnities.....	10,034	8,000	8,000
15 Taxes and assessments.....	1,481	1,300	1,300
Total obligations.....	6,501,548	6,011,300	7,176,300

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes of market development activities under section 104(a) of that Act, \$13,621,800, and for the purposes of section 104(m) of that Act, relating to agricultural and horticultural fair participation and related activities, \$1,000,000, to remain available until expended, of which amounts not less than \$4,400,000 shall be available to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States: Provided further, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Foreign Agricultural Service for the foregoing purposes of such sections 104 (a) and (m) is appropriated as of that date and shall be merged with this appropriation.

Appropriated (est.) 1960, \$9,309,093 Estimate 1961, \$14,621,800

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Market development projects.....	\$5,445,700	\$6,263,609	\$10,830,800
2. Agricultural attachés.....	192,839	950,000	-----
3. Agricultural and horticultural exhibitions.....	-----	1,275,000	1,000,000
4. Travel of U.S. agricultural specialists abroad.....	54,236	65,764	-----
Total program costs.....	5,692,775	8,554,373	11,830,800
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-790,809	-----	-----
Obligations incurred for costs of other years, net.....	-----	4,109,406	2,791,000
Total program (obligations).....	4,901,966	12,663,779	14,621,800
Financing:			
Unobligated balance brought forward.....	-6,441,148	-6,905,245	-----
Recovery of prior year obligations.....	-25,307	-----	-----
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	313,073	-----	-----
Unobligated balance carried forward.....	6,905,245	84,844	-----
Unobligated balance no longer available.....	-----	-----	-----
Authorization to expend foreign currency receipts (net of proposed appropriation to cover balances as of June 30, 1960).....	-5,653,829	3,465,715	-----
New obligational authority.....	-----	9,309,093	14,621,800

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligational authority:			
Indefinite (proposed in appropriation language above).....	-----	\$9,309,093	-----
Definite.....	-----	-----	\$14,621,800
Appropriation.....	-----	9,309,093	14,621,800

NOTE.—The gross foreign currency authorization in 1960 is \$5,843,378. The schedule above covers foreign currency authorizations for 1959 and 1960. The appropriation recommended for 1960 is equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 relate to appropriations.

1. *Market development projects.*—Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, are used by the Department under the provisions of section 104(a) by the Foreign Agricultural Service to develop new foreign markets and expand existing markets for U.S. agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. The type of market development projects being carried out include sales promotion campaigns, trade fairs and exhibits, nutrition demonstrations, and market analyses. At June 30, 1959, there were 336 market development projects operating in 37 countries with the assistance of both United States and foreign cooperators. Total estimated cost in U.S. dollars (charged to regular appropriation) of the initiation and supervision of market development projects in 1961, \$254,000.

2. *Agricultural attachés.*—Foreign currencies were used in 1959 and are being used in 1960 where practicable to pay certain costs of the agricultural attachés.

3. *Agricultural and horticultural exhibitions.*—Foreign currencies are used to finance U.S. participation in foreign agricultural and horticultural fairs and related activities pursuant to section 104(m) of the Agricultural Trade Development and Assistance Act of 1954, as amended.

4. *Travel of U.S. agricultural specialists abroad.*—Foreign currencies are being used in 1959 and 1960, pursuant to section 104(f) of the Agricultural Trade Development and Assistance Act of 1954, as amended, to finance the travel of U.S. agricultural specialists to the U.S.S.R. under the cultural, technical, and educational exchange agreement between the two countries.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$3,585,976	\$2,778,518	\$6,480,000	\$8,992,000
Advances (payment for goods and services on order not yet received).....	320,734	312,076	720,000	999,000
Total selected resources at end of year.....	3,906,710	3,090,594	7,200,000	9,991,000
Selected resources at start of year (-).....	-----	-3,906,710	-3,090,594	-7,200,000
Adjustment of selected resources reported at start of year.....	-----	25,307	-----	-----
Costs financed from obligations of other years, net (-).....	-----	-790,809	-----	-----
Obligations incurred for costs of other years, net.....	-----	-----	4,109,406	2,791,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
FOREIGN AGRICULTURAL SERVICE			
Total number of permanent positions.....	76	75	33
Full-time equivalent of all other positions.....	3	3	0
Average number of employees.....	69	74	31
Number of employees at end of year.....	76	76	33
Average salary of ungraded positions.....	\$2,266	\$2,370	\$2,115

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
FOREIGN AGRICULTURAL SERVICE—con.			
01 Personal services:			
Permanent positions.....	\$128,727	\$177,400	\$74,000
Positions other than permanent.....	2,440	3,000	
Other personal services.....	52,164	98,600	4,000
Total personal services.....	183,331	279,000	78,000
02 Travel.....	305,988	702,064	600,000
03 Transportation of things.....	12,036	49,000	35,000
04 Communication services.....	7,117	7,700	8,000
05 Rents and utility services.....	30,437	55,000	27,000
06 Printing and reproduction.....	9,096	33,100	35,000
07 Other contractual services.....	3,312,521	8,767,434	12,477,800
Services performed by other agencies.....	147,528	720,000	175,000
08 Supplies and materials.....	10,473	13,200	12,000
09 Equipment.....	3,690	15,000	15,000
11 Grants, subsidies, and contributions.....	2,746	7,000	3,000
13 Refunds, awards, and indemnities.....	12	81	
15 Taxes and assessments.....	105	200	
Total, Foreign Agricultural Service.....	4,025,080	10,648,779	13,465,800
ALLOCATION TO DEPARTMENT OF COMMERCE			
02 Travel.....	25,553	60,000	34,000
03 Transportation of things.....	66,209	140,000	87,000
04 Communication services.....	7,711	20,000	10,000
05 Rents and utility services.....	180,434	423,000	239,000
06 Printing and reproduction.....	11,694	20,000	15,000
07 Other contractual services.....	558,391	1,290,000	735,500
08 Supplies and materials.....	25,806	60,000	34,000
09 Equipment.....	913	1,500	1,000
13 Refunds, awards, and indemnities.....	175	500	500
Total, Department of Commerce.....	876,886	2,015,000	1,156,000
Total obligations.....	4,901,966	12,663,779	14,621,800

Analysis of Expenditures

Obligated balance, start of year.....	\$6,409,622	\$6,645,314	
Obligations incurred during year.....	4,901,966	12,663,779	
Recovery of prior year obligations.....	-25,307		
Obligated balance, end of year.....	-6,645,314		
Obligated balance, end of year, transferred to appropriation.....		-9,309,093	
Expenditures.....	4,640,967	10,000,000	

Status of Unfunded Allocations

Unfunded balance, start of year.....	\$7,543,180	\$3,284,608	
Allocations.....	5,653,829	5,843,378	
Unfunded balance expiring or lapsing.....		-84,844	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	-313,073		
Unfunded balance, end of year.....	-3,284,608		
Transfers into agency account.....	9,599,328	9,043,142	

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
 "Mutual security—economic," funds appropriated to the President.
 "President's special international program," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Commodity Credit Corporation representatives for sales, barter, and stockpiling.....	\$74,524	\$47,700	\$48,000
2. Miscellaneous services to other accounts.....	181,602	158,300	161,550
Total program (costs—obligations).....	256,126	206,000	209,550
Financing:			
Advances and reimbursements from other accounts.....	256,126	206,000	209,550

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	26	24	24
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	27	24	24
Number of employees at end of year.....	26	24	24
Average GS grade and salary.....	9.7 \$7,771	9.3 \$7,361	9.3 \$7,360
Average salary of ungraded positions.....	\$2,325	\$2,325	\$2,325
01 Personal services:			
Permanent positions.....	\$189,513	\$160,100	\$160,800
Positions other than permanent.....	1,994	2,000	2,000
Other personal services.....	8,830	4,700	4,000
Total personal services.....	200,337	166,800	166,800
02 Travel.....	15,363	11,500	11,500
03 Transportation of things.....	6,659	50	50
04 Communication services.....	2,813	1,800	1,800
06 Printing and reproduction.....	3,525	3,200	4,950
07 Other contractual services.....	2,272	1,700	3,000
Services performed by other agencies.....	11,600	10,000	10,250
08 Supplies and materials.....	695	450	700
09 Equipment.....	304		
11 Grants, subsidies, and contributions.....	12,358	10,500	10,500
13 Refunds, awards, and indemnities.....	200		
Total obligations.....	256,126	206,000	209,550

COMMODITY EXCHANGE AUTHORITY

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), **[\$909,500] \$941,325.** (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, **\$909,500**Estimate 1961, **\$941,325**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Licensing.....	\$57,898	\$60,600	\$61,000
2. Supervision of futures trading.....	465,057	481,000	484,500
3. Audits.....	206,303	199,300	200,800
4. Investigations.....	167,772	168,600	195,025
Total program costs ¹	897,030	909,500	941,325
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (—).....	-2,045		
Total program (obligations).....	894,985	909,500	941,325
Financing:			
Unobligated balance no longer available.....	515		
New obligational authority.....	895,500	909,500	941,325
New obligational authority:			
Appropriation.....	\$832,000	\$909,500	\$941,325
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 51).....	63,500		
Appropriation (adjusted).....	895,500	909,500	941,325

¹ Includes capital outlay as follows: June 30, 1959, \$2,418; 1960, \$2,500; 1961, \$2,500.

The major objectives of the Commodity Exchange Authority are to maintain fair and competitive pricing in the commodity futures markets by preventing manipulation and other abusive trading practices. Enforcement of the Commodity Exchange Act requires supervision over futures trading in 21 commodities on 16 exchanges currently designated as contract markets. Transactions on contract markets were estimated at 7,100,000 in 1959, and the value of trading approximately \$27 billion.

1. *Licensing.*—Commission merchants and floor brokers are registered annually. In 1959 there were 503 commission merchants and 778 floor brokers so registered, and it

COMMODITY EXCHANGE AUTHORITY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

is estimated that the same number will be registered in 1961. Exchange rules and regulations are reviewed to insure that legal requirements are met.

2. *Supervision of futures trading.*—This embraces (a) examination and analysis of reports and other market data, the making of market position surveys, and publication of summary data; (b) establishment, review, and enforcement of speculative limits; and (c) cooperative activities with control committees of contract markets. In 1959, position surveys covered 4,303 traders.

REPORTS TABULATED AND ANALYZED

	1959 actual	1960 estimate	1961 estimate
Daily trading volume and open contracts..	221,793	225,000	225,000
Daily and weekly reports on large traders..	268,520	275,000	275,000
Delivery notices.....	37,703	40,000	40,000

3. *Audits.*—Misuse of customers' funds is prevented by (a) audit and examination of books of futures commission merchants and (b) analysis of brokers' and traders' books and financial statements. The 1959 audits revealed that customers had to their credit \$95,884,543 required to be segregated from the funds of the carrying brokers, compared with \$81,672,368 in 1958.

AUDITS

	1959 actual	1960 estimate	1961 estimate
Audits of customers' segregated funds....	698	650	650
Accounts examined.....	34,237	31,000	31,000
Financial statements examined.....	503	500	500

4. *Investigations.*—Apparent or alleged violations of the law and regulations are investigated, and trade practice surveys are made to discover violations and compile legal evidence. The Authority also prepares and presents evidence of violations in administrative hearings and judicial proceedings.

INVESTIGATIONS, TRANSACTIONS, AND PROCEEDINGS

	1959 actual	1960 estimate	1961 estimate
Compliance investigations completed....	26	35	35
Trade practice investigations completed..	1	2	4
Number of transactions examined.....	16,200	25,000	60,000
Administrative proceedings instituted....	5	7	7

5. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$3,746; 1959, \$1,701; 1960, \$1,701; 1961, \$1,701.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	134	128	132
Full-time equivalent of all other positions..	1	1	1
Average number of all employees.....	123	122	125
Number of employees at end of year.....	120	120	124
Average GS grade and salary.....	7.1 \$6,081	7.3 \$6,259	7.3 \$6,315
01 Personal services:			
Permanent positions.....	\$765,206	\$773,000	\$798,200
Positions other than permanent.....	3,153	3,225	3,275
Other personal services.....	3,202	6,275	3,425
Total personal services.....	771,561	782,500	804,900
02 Travel.....	9,922	10,400	11,300
03 Transportation of things.....	1,134	600	600
04 Communication services.....	19,514	20,200	20,200
05 Rents and utility services.....	14,285	12,000	12,000
06 Printing and reproduction.....	10,799	11,500	11,500
07 Other contractual services.....	7,167	9,200	16,125
Services performed by other agencies.....	2,150	2,200	2,200
08 Supplies and materials.....	5,723	5,900	5,900
09 Equipment.....	2,467	3,500	3,500
11 Grants, subsidies, and contributions.....	49,684	50,800	52,400
13 Refunds, awards, and indemnities.....	475	600	600
15 Taxes and assessments.....	104	100	100
Total obligations.....	894,985	909,500	941,325

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Supervision of futures trading (total costs—obligations).....	\$413		
Financing:			
Advances and reimbursements from non-Federal sources (5 U.S.C. 61(b); 40 U.S.C. 481(c)).....	413		

Object Classification

	1959 actual	1960 estimate	1961 estimate
01 Personal services: Permanent positions.....	\$184		
09 Equipment.....	229		
Total obligations.....	413		

[SOIL BANK PROGRAM]

NOTE.—The appropriations under this head are shown under Commodity Stabilization Service.

COMMODITY STABILIZATION SERVICE

Current authorizations:

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393), **[\$39,135,000]** *\$40,135,000*, of which not more than **[\$6,886,300]** *\$6,934,400* shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938". (73 Stat. 393–394, 642; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, **\$39,135,000**

Estimate 1961, **\$40,135,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acreage allotments and marketing quotas (total program costs).....	\$41,753,172	\$39,135,000	\$40,135,000
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—44,192		
Total program (obligations).....	41,708,980	39,135,000	40,135,000
Financing:			
Unobligated balance no longer available.....	6,020		
New obligational authority.....	41,715,000	39,135,000	40,135,000
New obligational authority:			
Appropriation.....	\$39,715,000	\$39,135,000	\$40,135,000
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 35).....	2,000,000		
Appropriation (adjusted).....	41,715,000	39,135,000	40,135,000

Acreage allotment and marketing quota programs are designed to keep the production and marketing of cotton, wheat, rice, tobacco, and peanuts, in line with demand in order to give each farmer a fair share of the available market and the total production required.

Acreage allotments, when necessary, are established at national, State, and county levels (only at State level in the case of tobacco). In general, the acreage allotted to any county is apportioned by farmer-elected county committeemen. National marketing quotas must be proclaimed whenever the total supply for the above basic

commodities reaches a level specified in the Agricultural Adjustment Act of 1938, as amended. However, quotas do not become effective unless approved by two-thirds of those voting in a farmer referendum.

Acreage allotments and marketing quotas have been proclaimed for the 1960 crops of wheat, peanuts, flue-cured tobacco, rice, and upland and extra long staple cotton and are indicated for the other kinds of quota tobaccos. For the 1961 crops the estimates provide for continuation of acreage allotments and marketing quotas on all these basic commodities. The choice B plan authorized by the Agricultural Act of 1958 under which cotton producers may elect to take an increase of not to exceed 40% (as determined by the Secretary) in their acreage allotments, coupled with a 15% parity reduction in price support, will not apply to the 1961 or subsequent crops of upland cotton and farmers will receive only their regular cotton acreage allotments.

Work in the fiscal years 1960 and 1961 will consist primarily of the following:

Job	Tobacco	Peanuts	Wheat	Cotton	Rice
Collecting, reviewing, and compiling basic data, and reconstituting farms; reviewing, processing, and recording basic farm data; determining, computing, compiling, and reviewing farm allotments, preparing and issuing allotment notices and marketing cards (estimated number of allotment farms).....	579,964	118,053	1,824,075	960,250	16,689
Handling appeals.....	15,000	1,200	45,000	19,500	450
Performance checking (percent of crop farms measured):					
Fiscal year 1960:					
1959 crop.....	41.7	39.6	1.2	25.0	26.1
1960 crop.....	58.3	60.4	98.8	53.2	73.9
Fiscal year 1961:					
1960 crop.....	41.7	39.6	1.2	46.8	26.1
1961 crop.....	58.3	60.4	98.8	48.8	73.9
Conducting referendums, tabulating votes, and certifying results (number):					
Fiscal year 1960.....	86	496	2,658	1,092	157
Fiscal year 1961.....	115	(2)	2,658	1,092	157

¹ Represents estimate of work to be performed with appropriation for 1960 and estimate for 1961. A supplemental appropriation for 1960 is anticipated under Proposed for later transmission to permit measurement of 75% of the 1960 crop of cotton in 1960 and the same percent of the 1961 crop in 1961.

² Marketing quotas were approved for 3 years beginning with the 1960 marketing year in the referendum held in fiscal year 1960.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$207,443	\$30,606	\$30,606	\$30,606
Selected resources at start of year (—).....	—207,443	—207,443	—30,606	—30,606
Adjustment of prior year costs and selected resources reported at start of year.....		132,645	-----	-----
Costs financed from obligations of other years, net (—)....		—44,192	-----	-----

Object Classification

	1959 actual	1960 estimate	1961 estimate
06 Printing and reproduction.....	\$197,330	\$247,000	\$247,000
07 Other contractual services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	6,861,700	6,886,300	6,934,400
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388).....	34,649,950	32,001,700	32,953,600
Total obligations.....	41,708,980	39,135,000	40,135,000

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), [\$71,500,000] \$74,500,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appro-

priation for other than payments to sugar producers shall not exceed [\$2,297,426] \$2,307,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Appropriated 1960, \$71,500,000

Estimate 1961, \$74,500,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Payments to sugar producers:			
(a) Continental beet area.....	\$37,441,750	\$38,465,000	\$39,283,000
(b) Continental cane area.....	7,393,000	9,381,400	10,051,500
(c) Offshore cane area.....	28,922,224	21,356,174	22,853,500
2. Operating expense.....	2,236,426	2,297,426	2,307,000
3. Adjustment of prior year costs.....	—11,379	-----	-----
Total program costs.....	75,987,021	71,500,000	74,500,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	12,979	-----	-----
Total program (obligations).....	76,000,000	71,500,000	74,500,000
Financing:			
Appropriation (new obligational authority).....	76,000,000	71,500,000	74,500,000

The Service determines total U.S. requirements and quotas to provide consumers with adequate supplies of sugar at reasonable prices, to protect the domestic sugar industry and to promote export trade for the five domestic sugar producing areas, the Philippines, Cuba, and other foreign countries. The quota for each domestic area is allotted to individual sellers when necessary to achieve orderly marketing, and restrictive farm acreage allotments are established for producers when necessary to avoid surpluses.

1. *Payments to sugar producers.*—Payments are made (a) to domestic producers of cane and beets who meet specified conditions of employment, production, and price; and (b) for abandonment of planted acreage and crop deficiencies on harvested acreage due to natural calamities.

An increase of \$3 million is proposed for 1961 due to increased conditional payments to sugar producers.

Estimated production by areas is shown in the following table.

SHORT TONS, RAW VALUE

Area	1958 crop year	1959 crop year	1960 crop year
Continental beet area.....	2,212,000	2,350,000	2,400,000
Continental cane area.....	579,000	700,000	750,000
Hawaii.....	765,000	975,000	1,065,000
Puerto Rico.....	1,087,000	1,250,000	1,350,000
Virgin Islands.....	6,200	12,500	10,000
Total.....	4,649,200	5,287,500	5,575,000

2. *Operating expense.*—This consists of the expense of (a) the agricultural stabilization and conservation State and county offices in establishing farm production controls, determining compliance, and making payments to producers, and (b) the Service's departmental work in determining sugar consumption requirements, establishing quotas and allotments, making fair wage and price determinations, establishing area production controls, and formulating overall policies and procedures.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$100	\$1,700	\$1,700	\$1,700
Selected resources at start of year (—).....	—100	—1,700	—1,700	—1,700
Adjustment of prior year costs and selected resources reported at start of year.....		11,379	-----	-----
Obligations incurred for costs of other years, net.....		12,979	-----	-----

COMMODITY STABILIZATION SERVICE—Continued

Current authorizations—Continued

SUGAR ACT PROGRAM—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	\$1,487,023	\$1,487,023	\$1,496,602
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388).....	749,398	810,398	810,398
11 Grants, subsidies, and contributions.....	73,763,574	69,202,574	72,193,000
Total obligations.....	76,000,000	71,500,000	74,500,000

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837 and 1802-1814), and to carry out liquidation activities for the acreage reserve program, **[\$335,000,000]** **\$361,783,000**: *Provided*, That not to exceed **[\$18,600,000]** **\$13,783,800** shall be available for administrative expenses, of which not less than **[\$14,400,000]** **\$10,500,000** may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938": *Provided further*, That no part of this appropriation shall be used to enter into contracts with producers which, together with contracts already entered into, would require payments to producers (including the cost of materials and services) in excess of \$375,000,000 in any calendar year, and for purposes of applying this limitation, practice payments shall be chargeable to the first year of the contract period: *Provided further*, That no part of these funds shall be used to enter into contracts to pay rental compensation to any individual or corporation in excess of \$5,000 per annum: *Provided further*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants: *Provided further*, That clause (2) of the fourth proviso relating to annual rental payments under this head in Public Law 85-459 shall not be applicable to contracts hereafter entered into: *Provided further*, That (1) no part of the funds authorized for 1960 may be used to enter into annual rental contracts for a period of time or at rates or in amounts which are in excess of limitations imposed by present regulations or announcements, (2) in establishing annual rental rates for new contracts, no such rental rate shall be established in excess of the local fair rental value of the acreage offered, such fair rental value to be based upon the average annual crop production harvested from such acreage during the past five crop years including the current year, (3) in handling funds within any State, first consideration shall be given to those applicants who were not offered contracts during the 1959 sign-up due to limitation of funds, and (4) in the allocation of funds and administration thereof, the Department shall not allocate funds on any basis not in accord with the purposes as set forth in the basic law. (73 Stat. 552, 611; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, **\$335,000,000** Estimate 1961, **\$361,783,000**

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Conservation reserve program (total program costs).....	\$170,824,552	\$335,542,981	\$362,186,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-542,981	-403,000
Obligations incurred for costs of other years, net.....	326,054		
Total program (obligations).....	171,150,606	335,000,000	361,783,000
Financing:			
Unobligated balance no longer available.....	181,787		
New obligatory authority.....	171,332,393	335,000,000	361,783,000

¹ Includes capital outlay as follows: June 30, 1959, \$1,088,461; 1960, \$1,700,000; 1961, \$450,000.

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
New obligatory authority:			
Appropriation.....	\$200,000,000	\$335,000,000	\$361,783,000
Transferred (73 Stat. 34-36) to—			
"Salaries and expenses," Agricultural Research Service.....	-7,881,500		
"Cooperative extension work, payments and expenses," Extension Service.....	-559,682		
"Salaries and expenses," Farmer Cooperative Service.....	-39,900		
"Conservation operations," Soil Conservation Service.....	-6,102,800		
"Marketing research and service," Agricultural Marketing Service.....	-3,112,700		
"Salaries and expenses," Foreign Agricultural Service.....	-232,020		
"Salaries and expenses," Commodity Exchange Authority.....	-63,500		
"Acreage allotments and marketing quotas".....	-2,000,000		
"Salaries and expenses," Rural Electrification Administration.....	-582,300		
"Salaries and expenses," Farmers Home Administration.....	-2,100,000		
"Salaries and expenses," Office of the General Counsel.....	-240,750		
"Salaries and expenses," Office of the Secretary.....	-186,755		
"Salaries and expenses," Office of Information.....	-74,000		
"Salaries and expenses," Library.....	-59,500		
"Forest protection and utilization," Forest Service.....	-5,432,200		
Appropriation (adjusted).....	171,332,393	335,000,000	361,783,000

The objective of this program is to help adjust total crop acreage more nearly in line with demand by withdrawing cropland from production and to establish and maintain sound conservation practices on the land withdrawn. The Secretary is authorized, through calendar year 1960, to enter into 3- to 15-year contracts with producers. In return for removing designated cropland from production and for establishing necessary conservation practices, the producer receives an annual rental payment each year of the contract period, and cost-sharing assistance for the establishment of the required practices. The Secretary may not enter into contracts with producers which would require payments to producers in excess of \$375 million for the 1960 calendar year. Total annual rental payments to a producer are limited to \$5,000.

Participation in the program is summarized below:

Number of agreements 1956-59 programs.....	246,220
Number of acres.....	22,422,159
Payments made in calendar year 1958, estimated.....	\$116,961,757
Estimated payments made in calendar year 1959.....	\$332,105,000

Under the 1960 program it is contemplated that at least an additional 5.1 million acres on 55,000 farms will be placed in the conservation reserve. This will make a total of about 28 million acres on 301,200 farms in the program.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Inventories and items on order:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$11,832	\$348,059	\$185,000	\$60,000
Advances (payments for goods and services on order not yet received).....	1,593,601	807,922	428,000	150,000
Total selected resources at end of year.....	1,605,433	1,155,981	613,000	210,000
Selected resources at start of year (-).....	-1,605,433	-1,155,981	-613,000	-613,000
Adjustment of prior year costs and selected resources reported at start of year.....		775,506		
Costs financed from obligations of other years, net (-).....			-542,981	-403,000
Obligations incurred for costs of other years, net.....		326,054		

Object Classification

	1959 actual	1960 estimate	1961 estimate
COMMODITY STABILIZATION SERVICE			
03 Transportation of things.....	\$1,846		
06 Printing and reproduction.....	32,963	\$125,000	\$125,000
07 Other contractual services: Advanced to—			
“Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938” (7 U.S.C. 1392).....	1,960,107	2,546,000	2,564,600
“Local administration, sec. 388, Agricultural Adjustment Act of 1938” (7 U.S.C. 1388).....	12,996,948	14,920,100	10,500,000
11 Grants, subsidies, and contributions: Conservation reserve payments.....	153,046,536	315,275,000	347,525,600
Total, Commodity Stabilization Service.....	168,038,400	332,866,100	360,715,200
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	46	64	53
Full-time equivalent of all other positions.....	11	7	3
Average number of all employees.....	104	94	66
Number of employees at end of year.....	61	78	63
Average GS grade and salary.....	7.7 \$5,859	7.5 \$6,176	7.5 \$6,223
01 Personal services:			
Permanent positions.....	\$637,473	\$574,301	\$423,002
Positions other than permanent.....	38,065	24,703	8,503
Other personal services.....	1,875	3,497	1,757
Total personal services.....	677,413	602,501	433,262
02 Travel.....	30,624	28,400	27,580
03 Transportation of things.....	1,454	1,300	1,300
04 Communication services.....	5,742	5,300	5,800
05 Rents and utility services.....	2,352	1,600	1,300
06 Printing and reproduction.....	2,882	3,550	3,700
07 Other contractual services:			
Services performed by other agencies.....	74,807	31,550	16,865
Supplies and materials.....	130,974	3,600	1,594
08 Equipment.....	17,151	13,000	8,800
09 Grants, subsidies, and contributions.....	2,067	1,500	1,200
11 Grants, subsidies, and contributions.....	2,165,404	1,441,099	566,199
13 Refunds, awards, and indemnities.....	616		
15 Taxes and assessments.....	720	500	200
Total, allotment accounts.....	3,112,206	2,133,900	1,067,800
Total obligations.....	171,150,606	335,000,000	361,783,000
Obligations are distributed as follows:			
Commodity Stabilization Service.....	\$168,038,400	\$332,866,100	\$360,715,200
Agricultural Conservation Program Service.....	20,558	30,000	30,000
Forest Service.....	2,506,852	1,635,000	771,000
Soil Conservation Service.....	541,652	300,000	125,800
Office of the General Counsel.....	34,488	160,000	141,000
Office of Information.....	8,656	8,900	

ACREAGE RESERVE

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acreage reserve program (total program costs).....	\$609,003,002		
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	7,641		
Total program (obligations).....	609,010,643		
Financing:			
Unobligated balance no longer available.....	439,357		
Appropriation (new obligational authority).....	609,450,000		

1. The acreage reserve program was in effect for 3 crop years from 1956 through 1958. Producers were compensated for reducing their acreages for the six basic commodities: wheat, cotton, corn produced in the commercial corn-producing area, peanuts, rice, and most types of tobacco.

The appropriation act for 1959 provided for the termination of the program after the 1958 crop year. No funds are available in 1960 and none are requested for 1961. Liquidation costs are charged to the appropriation for the conservation reserve program.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$3,143			
Selected resources at start of year (—).....		—\$125	—\$125	
Adjustment of prior year costs and selected resources reported at start of year.....		10,659	125	
Obligations incurred for costs of other years, net.....		7,641		

Object Classification

	1959 actual	1960 estimate	1961 estimate
COMMODITY STABILIZATION SERVICE			
03 Transportation of things.....	\$804		
06 Printing and reproduction.....	9,426		
07 Other contractual services: Advanced to—			
“Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938” (7 U.S.C. 1392).....	4,302,058		
“Local administration, sec. 388, Agricultural Adjustment Act of 1938” (7 U.S.C. 1388).....	14,469,000		
11 Grants, subsidies, and contributions: Acreage reserve payments.....	590,160,950		
Total, Commodity Stabilization Service.....	608,942,238		
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	10		
Average number of all employees.....	9		
Number of employees at end of year.....	6		
Average GS grade and salary.....	8.1 \$6,836		
01 Personal services: Permanent positions.....	\$62,721		
02 Travel.....	468		
04 Communication services.....	122		
06 Printing and reproduction.....	41		
07 Other contractual services:			
Services performed by other agencies.....	150		
08 Supplies and materials.....	576		
09 Equipment.....	112		
11 Grants, subsidies, and contributions.....	3,995		
15 Taxes and assessments.....	6		
Total, allotment accounts.....	68,405		
Total obligations.....	609,010,643		
Obligations are distributed as follows:			
Commodity Stabilization Service.....	\$608,942,238		
Office of the General Counsel.....	55,062		
Office of Information.....	13,343		

SOIL BANK PROGRAMS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Financing:			
Authorization to expend from public debt receipts:			
Unobligated balance brought forward.....	—\$233,101	—\$41,752	
Recovery of prior year obligations.....	—226,940		
Unobligated balance carried forward.....	41,752		
Unobligated balance no longer available.....	418,289	41,752	
Appropriation (new obligational authority).....			

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:

- “Agricultural conservation program,” Agricultural Conservation Program Service.
- “School lunch program,” Agricultural Marketing Service.
- “Great Plains conservation program,” Soil Conservation Service.
- “Removal of surplus agricultural commodities,” Agricultural Marketing Service.
- “Disaster loans, etc., revolving fund,” Farmers Home Administration.
- “Mutual security—economic,” funds appropriated to the President.
- “Revolving fund, Defense Production Act,” funds appropriated to the President.
- “Salaries and expenses,” Office of Civil and Defense Mobilization.
- “Civil defense and defense mobilization functions of Federal agencies,” Office of Civil and Defense Mobilization.

COMMODITY STABILIZATION SERVICE—Continued

Intragovernmental funds:

ADMINISTRATIVE EXPENSES, SEC. 392, AGRICULTURAL ADJUSTMENT ACT OF 1938

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. National and State operating expense (costs) ¹ -----	\$23,492,579	\$23,036,609	\$23,166,215
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.-----	149,425	-----	-----
Total program (obligations)-----	23,642,004	23,036,609	23,166,215
Financing:			
Advances and reimbursements from—			
“Agricultural conservation program,”			
Agricultural Conservation Program			
Service-----	4,813,459	4,848,739	4,881,931
“Acreage allotments and marketing			
quotas”-----	6,861,700	6,886,300	6,934,400
“Sugar Act program”-----	1,487,028	1,487,028	1,496,602
“Acreage reserve”-----	4,302,058	-----	-----
“Conservation reserve program”-----	1,960,107	2,546,000	2,564,600
“Great Plains conservation program,”			
Soil Conservation Service-----	17,000	23,000	23,000
“Disaster loans, etc., revolving fund,”			
Farmers Home Administration-----	5,000	29,000	6,000
“Removal of surplus agricultural			
commodities,” Agricultural Mar-			
keting Service-----	35,450	35,450	35,450
Other accounts-----	5,438,316	7,176,092	7,219,232
Unobligated balance no longer available	-1,278,114	-----	-----
Total financing-----	23,642,004	23,036,609	23,166,215

¹ Includes capital outlay as follows: June 30, 1959, \$169,703; 1960, \$74,000; 1961, \$74,000.

Under the Agricultural Adjustment Act of 1938, amounts estimated to be required for administrative expenses of the national and State offices are advanced to this account from several appropriations related to agricultural stabilization and conservation activities.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)-----	\$5,076	\$9,114	\$9,114	\$9,114
Unpaid undelivered orders (appropriation balances obligated for goods and services not yet received)-----	236,136	86,784	86,784	86,784
Total selected resources at end of year-----	244,212	95,898	95,898	95,898
Selected resources at start of year (—)-----	-----	-244,212	-95,898	-95,898
Adjustment of prior year costs and selected resources reported at start of year-----	-----	297,739	-----	-----
Obligations incurred for costs of other years, net.-----	-----	149,425	-----	-----

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions-----	2,782	2,656	2,656
Full-time equivalent of all other positions-----	160	123	123
Average number of all employees-----	2,833	2,732	2,728
Number of employees at end of year-----	2,901	3,020	3,020
Average GS grade and salary-----	6.1 \$5,338	5.9 \$5,315	6.0 \$5,374
01 Personal services:			
Permanent positions-----	\$15,875,585	\$15,995,009	\$16,041,792
Positions other than permanent-----	952,898	808,879	807,964
Other personal services-----	153,576	209,450	142,335
Total personal services-----	16,982,059	17,013,338	16,992,091
02 Travel-----	3,221,365	3,124,957	3,119,485
03 Transportation of things-----	108,441	71,936	71,934
04 Communication services-----	574,596	456,918	456,898
05 Rents and utility services-----	519,774	613,077	613,077
06 Printing and reproduction-----	73,266	79,581	79,581
07 Other contractual services-----	591,863	173,439	331,129
Services performed by other agencies-----	39,723	55,196	55,196
08 Supplies and materials-----	228,697	242,398	242,384
09 Equipment-----	223,863	96,383	96,372
11 Grants, subsidies, and contributions-----	1,029,287	1,052,918	1,051,603
13 Refunds, awards, and indemnities-----	24,465	33,821	33,821
15 Taxes and assessments-----	24,605	22,647	22,644
Total obligations-----	23,642,004	23,036,609	23,166,215

LOCAL ADMINISTRATION, SEC. 388, AGRICULTURAL ADJUSTMENT ACT OF 1938

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Local operating expense-----	\$130,438,894	\$125,775,553	\$121,198,775
2. Prior year advances returned-----	-----	1,714,101	-----
Total program costs ¹ -----	130,438,894	127,489,654	121,198,775
3. Relation of costs to obligations: Costs financed from obligations of other years, net (—)-----	-1,317,120	-2,062,224	-----
Total program (obligations)-----	129,121,774	125,427,430	121,198,775
Financing:			
Unobligated balance brought forward-----	-----	1,714,101	-----
Advances and reimbursements from—			
“Agricultural conservation program,”			
Agricultural Conservation Program			
Service-----	19,753,361	21,295,131	21,259,777
“Acreage allotments and marketing			
quotas”-----	34,649,950	32,001,700	32,953,600
“Sugar Act program”-----	749,398	\$10,398	\$10,398
“Commodity Credit Corporation			
fund” (storage and price support			
programs)-----	40,366,000	44,482,000	45,500,000
“Acreage reserve”-----	14,469,000	-----	-----
“Conservation reserve program”-----	12,996,948	14,920,100	10,500,000
“Great Plains conservation program,”			
Soil Conservation Service-----	76,700	126,000	126,000
“Disaster loans, etc., revolving fund,”			
Farmers Home Administration-----	-----	35,000	6,000
“Removal of surplus agricultural			
commodities,” Agricultural Mar-			
keting Service-----	20,000	43,000	43,000
Other accounts-----	8,594,413	10,000,000	10,000,000
Unobligated balance carried forward-----	-1,714,101	-----	-----
Unobligated balance no longer available-----	-839,895	-----	-----
Total financing-----	129,121,774	125,427,430	121,198,775

¹ Includes capital outlay as follows: June 30, 1959, \$6,326; 1960, \$5,000; 1961, \$5,000.

Under the Agricultural Adjustment Act of 1938, amounts estimated to be required by the county agricultural stabilization and conservation committees for carrying out the programs assigned to them are advanced to this account from the several appropriations available. Payments to county committees for their estimated expenses are deposited in the bank accounts of the committees. Expense paid from this account is as follows:

	1959 actual	1960 estimate	1961 estimate
Salaries-----	\$93,967,240	\$90,663,120	\$88,418,097
Travel-----	7,330,840	6,603,895	6,445,790
All other expense-----	26,724,813	25,333,380	25,215,808
Total advances to committees-----	128,022,893	122,600,395	120,079,695
Aerial photography for performance check-			
ing-----	1,098,881	1,112,934	1,119,080
Prior year advances returned-----	-----	1,714,101	-----
Total obligations-----	129,121,774	125,427,430	121,198,775

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by				
projects)-----	\$76,871	\$73,239	\$73,239	\$73,239
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)-----	3,888,663	2,088,985	26,761	26,761
Total selected resources at end of year-----	3,965,534	2,162,224	100,000	100,000
Selected resources at start of year (—)-----	-----	-3,965,534	-2,162,224	-100,000
Adjustment of prior year costs and selected resources reported at start of year-----	-----	458,190	-----	-----
Costs financed from obligations of others years, net (—)-----	-----	-1,317,120	-2,062,224	-----

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions-----	105	107	107
Average number of all employees-----	99	103	103
Number of employees at end of year-----	97	104	104
Average GS grade and salary-----	6.1 \$5,338	5.9 \$5,315	6.0 \$5,374

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions.....	\$464,350	\$489,064	\$489,100
Positions other than permanent.....	753	1,110	1,100
Other personal services.....	3,439	4,503	4,500
Total personal services.....	468,542	494,677	494,700
02 Travel.....	9,666	10,300	10,300
03 Transportation of things.....	18,490	15,750	15,750
04 Communication services.....	3,586	3,375	3,350
05 Rents and utility services.....	68	68	100
06 Printing and reproduction.....	90,367	75,550	75,550
07 Other contractual services.....	303,939	324,588	330,680
08 Supplies and materials.....	164,782	145,577	145,600
09 Equipment.....	7,647	6,500	6,500
11 Grants, subsidies, and contributions.....	128,053,165	122,634,964	120,114,295
13 Refunds, awards, and indemnities.....	1,166	1,715,426	1,300
15 Taxes and assessments.....	356	655	650
Total obligations.....	129,121,774	125,427,430	121,198,775

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Advanced from Commodity Credit Corporation:			
(a) Supply and foreign purchase program.....	\$95,186	\$95,000	\$94,700
(b) International Wheat Agreement.....	159,156	200,000	215,000
(c) National Wool Act.....	200,386	260,000	260,000
(d) Sale of stockpile cotton.....	2,525	3,500	3,500
2. Operation and maintenance, Air Force.....	58,320	65,000	-----
3. Miscellaneous services to other accounts.....	77,349	170,000	170,000
4. Adjustment of prior year costs.....	-13,627	-----	-----
Total program costs.....	579,295	793,500	743,200
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	13,823	-----	-----
Total program (obligations).....	593,118	793,500	743,200
Financing:			
Advances and reimbursements from other accounts.....	593,118	793,500	743,200

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (balances obligated for goods and services on order not yet received).....	\$4,407	\$4,603	\$4,603	\$4,603
Selected resources at start of year (—).....	—	-4,407	-4,603	-4,603
Adjustment of prior year costs and selected resources reported at start of year.....	-----	13,627	-----	-----
Obligations incurred for costs of other years, net.....	-----	13,823	-----	-----

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	37	43	34
Average number of all employees.....	66	79	70
Number of employees at end of year.....	54	71	62
Average GS grade and salary.....	6.1 \$5,338	5.9 \$5,315	6.0 \$5,374
01 Personal services:			
Permanent positions.....	\$393,470	\$481,589	\$443,216
Positions other than permanent.....	2,778	2,545	3,145
Other personal services.....	3,673	5,740	3,468
Total personal services.....	399,921	489,874	449,829
02 Travel.....	22,933	31,000	31,000
03 Transportation of things.....	2,228	2,515	2,415
04 Communication services.....	10,636	12,220	11,520
05 Rents and utility services.....	74,283	124,200	124,200
06 Printing and reproduction.....	24,137	48,240	42,240
07 Other contractual services.....	7,736	6,465	12,215
Services reformed by other agencies.....	4,635	4,150	4,150
08 Supplies and materials.....	21,726	40,379	32,125
09 Equipment.....	380	4,050	2,550
11 Grants, subsidies, and contributions.....	23,334	28,364	28,918
13 Refunds, awards, and indemnities.....	920	1,750	1,750
15 Taxes and assessments.....	249	293	288
Total obligations.....	593,118	793,500	743,200

Proposed for later transmission:

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Acreage allotments and marketing quotas (total costs—obligations).....	-----	\$1,666,800	-----
Financing:			
Proposed supplemental appropriation.....	-----	1,666,800	-----

Under existing legislation, 1960.—A proposed supplemental appropriation in the amount of \$1,666,800 is anticipated, to permit measurement of 75% of the 1960 crop upland cotton acreage. Measurement of the other 25% of this crop will be completed before the marketing year begins on August 1, 1960.

CONSERVATION RESERVE PROGRAM

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Conservation reserve program (total costs—obligations).....	-----	-----	\$32,000,000
Financing:			
Proposed supplemental appropriation.....	-----	-----	32,000,000

Under proposed legislation, 1961.—Legislation is being proposed to extend through the 1963 crop-year the Secretary's authority to enter into contracts for removing additional cropland from production, and to increase the statutory ceiling on amounts that may be paid to farmers in a calendar year from \$450 to \$600 million. The proposed legislation would provide specific authority for the Secretary of Agriculture to give special consideration, in formulating the 1961–63 programs, to areas where it is desirable to discourage the production of wheat and other surplus crops.

A program of \$500 million is contemplated for the 1961 crop-year, consisting of \$330 million for annual rental payments on 1960 and prior contracts and \$170 million for new 1961 contracts. This would provide for removing about 9 million additional acres from production, making a total of about 37 million acres in the program through the crop-year 1961. A supplemental appropriation of \$32 million will be required in the fiscal year 1961 for practice payments to farmers and ranchers and for operating expenses.

COMMODITY CREDIT CORPORATION

Current authorizations:

RESTORATION OF CAPITAL IMPAIRMENT

To partially restore the capital impairment of the Commodity Credit Corporation determined by the [appraisal] appraisals of June 30, [1958] 1959, and June 30, 1960, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a-1), [\$1,435,424,413] \$1,325,000,000. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$1,435,424,413 Estimate 1961, \$1,325,000,000

COMMODITY CREDIT CORPORATION—Continued

Current authorizations—Continued

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL ACTIVITIES

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, [1959] 1960 (including interest through date of recovery), as follows: (1) [\$63,875,000] \$49,042,000 under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642); (2) [\$104,508,000] \$115,000,000 for commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of the Act of July 10, 1954, as amended (7 U.S.C. 1703, 1721-1724); (3) [\$968,016,000] \$881,000,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701-1709); (4) \$35,000 for grain made available to the Secretary of the Interior to prevent crop damage by migratory waterfowl pursuant to the Act of July 3, 1956 (7 U.S.C. 442-446); (5) [\$129,000,000] \$422,950,000 for strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856); and (6) [\$1,056,500 for transfers to the appropriation "Diseases of animals and poultry" pursuant to authority contained under such head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1959; and (7) \$1,607,000] \$715,000 for transfers to the appropriation "Marketing research and service" pursuant to the Act of August 31, 1951 (7 U.S.C. 414a), for grading tobacco and classing cotton without charge to producers, as authorized by law (7 U.S.C. 473a, 511d): *Provided, That the amounts provided herein may remain available until expended for the purposes for which appropriated but without regard to the year in which the unrecovered costs were incurred.* (73 Stat. 279, 600, 606; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$1,268,097,500 Estimate 1961, \$1,468,742,000

Permanent authorizations:

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT

Appropriation 1960, \$50,050,313 Estimate 1961, \$51,000,000

NOTE.—Expenditures from the following fund for 1960 are subject to the first paragraph of title II of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1960. For 1961 this paragraph is shown in the Department of Agriculture chapter, p. 357, preceding Federal Crop Insurance Corporation fund.

Public enterprise funds:

COMMODITY CREDIT CORPORATION FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK:			
1. Price support program (Commodity Credit Corporation nonrecourse loan, purchase, and payment programs):			
Direct loan commitments.....	\$521,831,730	\$230,000,000	\$265,000,000
Guaranteed loan commitments.....	3,002,682,349	1,824,848,116	1,560,939,500
Purchases of commodities and other obligations.....	1,378,399,396	3,007,352,933	3,055,652,178
Other obligations.....	6,645,686	2,612,000	2,500,000
Total price support program.....	4,909,559,161	5,064,813,099	4,884,091,678
2. Commodity export program: ¹			
Equalization payments.....	151,095,380	284,500,142	240,772,000
Purchases and other costs.....	9,991,737	12,610,000	12,274,000
3. Storage facilities program:			
Direct loan commitments.....	20,865,273	12,125,081	13,600,000
Guaranteed loan commitments.....	43,722		
Purchases of storage facilities and equipment.....	689,466	30,000,000	30,000,000
Other expense.....	86,380	65,000	65,000
4. Supply and foreign purchase program.....	1,186,445	1,116,152	1,045,298

¹ Includes costs represented by the value of commodities transferred from price support program.

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK—continued			
5. Special milk program (including administrative expense).....	\$75,932,962	\$81,000,000	\$85,000,000
6. Undistributed expense:			
Administrative expenses, subject to limitation (excluding special milk).....	37,615,883	42,739,900	43,844,900
Interest:			
Treasury.....	181,409,322	482,875,000	503,000,000
Other.....	11,129,085	20,863,000	27,163,000
Other expense.....	33,425,522	30,972,974	15,038,446
Purchase of administrative equipment.....	916,980	600,000	600,000
Total, price support, supply, and related programs and special milk.....	5,433,947,318	6,064,280,348	5,856,494,322
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule):			
7. Operating costs:			
Commodities transferred from price support program.....	757,268,843	663,653,824	582,919,000
Other operating costs:			
Interest on balance recoverable.....	29,543,251	36,844,541	50,259,000
Other program and administrative costs.....	895,275,862	900,212,619	1,038,247,000
Total other operating costs.....	924,819,113	937,057,160	1,088,506,000
Total operating costs, funded.....	1,682,087,956	1,600,710,984	1,671,425,000
8. Capital outlay: Loans made for agricultural conservation purposes (funded).....	40,000,000	38,200,000	19,200,000
Total, special activities financed by Commodity Credit Corporation.....	1,722,087,956	1,638,910,984	1,690,625,000
Total program (obligations).....	7,156,035,274	7,703,191,332	7,547,119,322
Financing:			
Amounts becoming available:			
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK:			
Appropriation for restoration of capital impairment:			
Enacted or recommended in this document.....	1,760,399,886	1,435,424,413	1,325,000,000
Proposed for later transmission under existing legislation.....		675,000,000	
Receipts and recoveries from operations:			
1. Price support program:			
Repayment of loans: Direct:			
To Commodity Credit Corporation.....	673,490,769	818,482,660	816,069,400
Loans transferred to accounts receivable.....	848,876		
Sales of commodities.....	1,656,673,460	2,815,348,817	2,456,963,650
Other revenue and receipts.....	15,428,189	1,050,000	865,000
Recovery of prior year obligations.....	182,261,712	152,644,000	178,409,000
Total, price support program.....	2,528,703,006	3,787,525,477	3,482,307,050
2. Commodity export program:			
Other program revenue.....	2,345		
3. Storage facilities program:			
Repayment of loans:			
Direct: To Commodity Credit Corporation.....	10,270,910	10,700,000	10,700,000
Guaranteed: To lending agencies.....	1,143,828		
Loans transferred to accounts receivable.....	269,868	310,000	310,000
Other revenue.....	47,224		
4. Supply and foreign purchase program: Revenue.....	1,311,232	1,450,615	1,170,298
5. Special milk program: Revenue (recoveries).....	1,265,068	1,141,900	1,341,900
6. Undistributed:			
Interest.....	45,593,253	60,550,541	68,909,000
Other.....	1,134,049	1,298,500	1,313,200
Recovery of prior year obligations.....	480,132		
Total, receipts and recoveries from operations.....	2,590,220,915	3,862,977,033	3,566,051,448
Total, price support, supply, and related programs and special milk.....	4,350,620,801	5,973,401,446	4,891,051,448

² Sales under the price support program include the value of (a) transfers of commodities to special activities financed by Commodity Credit Corporation, (b) transfers of commodities to commodity export program for resale or for delivery against payment-in-kind certificates, (c) transfers of strategic and critical materials acquired under barter contracts to the supplemental stockpile and (d) sales to processors under contracts providing that the Corporation will repurchase the commodities in another form.

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Financing—Continued			
Amounts becoming available—Con. SPECIAL ACTIVITIES FINANCED BY COM- MODITY CREDIT CORPORATION (see schedule):			
Appropriations:			
Reimbursement to Commodity Credit Corporation for costs of special activities.....	\$1,336,754,811	\$1,268,097,500	\$1,468,742,000
Reimbursement to Commodity Credit Corporation, National Wool Act (permanent indefi- nite authorization).....	24,453,099	50,050,313	51,000,000
Total appropriations.....	1,361,207,910	1,318,147,813	1,519,742,000
Unobligated balance no longer avail- able: Reimbursement to Com- modity Credit Corporation for costs of special activities.....		-25,412,562	
Total appropriations, net.....	1,361,207,910	1,292,735,251	1,519,742,000
Revenue and receipts:			
Recoverable from other than special appropriations to reim- burse Commodity Credit Cor- poration.....	133,740,411	248,314,986	201,860,000
Repayment of loans for agri- cultural conservation purposes..	33,000,000	36,900,000	30,800,000
Total revenue and receipts....	166,740,411	285,214,986	232,660,000
Total, special activities fi- nanced by Commodity Credit Corporation.....	1,527,948,321	1,577,950,237	1,752,402,000
Total amounts becoming available.....	5,878,569,122	7,551,351,683	6,643,453,448
Unobligated balance brought forward (authorization to expend from public debt receipts).....	2,505,668,997	1,228,202,845	1,076,363,196
Total amounts available.....	8,384,238,119	8,779,554,528	7,719,816,644
Unobligated balance carried forward (authorization to expend from public debt receipts).....	-1,228,202,845	-1,076,363,196	-172,697,322
Financing applied to program.....	7,156,035,274	7,703,191,332	7,547,119,322

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers, for the purpose of stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation has an authorized capital stock of \$100 million held by the United States, and authority to borrow up to \$14.5 billion.

Programs.—The budget is based on the following types of programs: (a) price support, (b) commodity export, (c) storage facilities, (d) supply and foreign purchase (e) special milk program, and (f) special activities.

Obligations and expenditures for these programs include primarily loans, purchases, purchase agreements, carrying charges, incentive and other payments, operating and interest expenses, and advances and current obligations incident to special activities as authorized by specific legislation.

Budget assumptions.—The Corporation's budget estimates for 1960 and 1961 are based on the general assumptions (a) that employment, production, and national income will rise moderately both in 1960 and 1961 from the present level; (b) that prices will change little, on the average, from the present level; (c) that developments in international relations will not be such as to affect Government civilian programs generally; (d) that exports of agricultural products generally will be slightly higher than the 1959 level; (e) that acreage allotments and marketing quotas will be in effect for the 1960 crops of peanuts, rice,

wheat, cotton and certain kinds of tobacco; (f) that acreage under the 1960 crop choice B cotton program will be about the same as that for the 1959 crop; and (g) that yields will be in line with recent averages.

In considering these estimates, it should be recognized that it is difficult to estimate requirements for the year ending June 30, 1961. They are dependent upon weather conditions and all other factors affecting volume of production of crops not yet planted in this country and abroad, economic conditions generally, food needs in occupied areas and other foreign countries, availability of dollar exchange, and other complex and unpredictable factors.

PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK

1. **Price-support program.**—Price-support operations are carried out under the Corporation's charter powers (15 U.S.C. 714), in conformity with the Agricultural Act of 1949 (7 U.S.C. 1421), the Agricultural Act of 1954 (7 U.S.C. 1741), which includes the National Wool Act of 1954, the Agricultural Act of 1956 (7 U.S.C. 1442), the Agricultural Act of 1958 and with respect to certain types of tobacco, in conformity with the act of July 28, 1945, as amended (7 U.S.C. 1312). Under the Agricultural Act of 1949, price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities, namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Under the Agricultural Act of 1958, as producers of corn voted in favor of the new price-support program for corn authorized by that act, price support is mandatory for barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National Wool Act of 1954, through the marketing year ending March 31, 1962. Price support for other nonbasic agricultural commodities is discretionary except that whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels. Legislation will be proposed to the Congress to make the necessary changes in the price-support program, especially for wheat, to reduce the heavy demands of the program on the Federal Treasury.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producers' commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are nonrecourse and the Corporation looks only to the pledged or mortgaged collateral for satisfaction of the loan. Under a provision of the 1960 Appropriation Act (Public Law 86-80) nonrecourse price support to any person on the 1960 production of any agricultural commodity declared by the Secretary of Agriculture to be in surplus supply is limited to \$50,000. Exceptions are made if (a) such person reduces his production from the preceding year by a maximum of 20% or (b) if the borrower agrees to repay all amounts advanced in excess of \$50,000 within a specified period. This limitation will expire June 30, 1960, unless continued by other legislation. Purchase agreements generally are available during the same period that loans are available. By sign-

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

ing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

In all its price-support operations the Corporation utilizes normal trade facilities to the maximum extent practicable. In its lending activities the Corporation uses local banks, cooperatives, and other financial institutions. Commercial storage facilities are used to a great extent in the storage of loan collateral and in the storage of stocks acquired by the Corporation.

Disposition of commodities acquired by the Corporation in its price-support operations is made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) as amended (Public Law 480), title I of the Agricultural Act of 1954 as amended, title II of the Agricultural Act of 1956 as amended, the Agricultural Act of 1958, the act of August 19, 1958, in the case of cornmeal and wheat flour and the act of September 21, 1959 (73 Stat. 574), with respect to sale of livestock feed in emergency areas. Public Law 480, as amended, authorizes the establishment by the Secretary, beginning February 1, 1960, and ending January 31, 1962, of a food stamp system of surplus food distribution to the needy to assist in disposing of food commodities acquired by the Corporation. The cost of such program may not exceed \$250 million for any 12-month period.

To the extent that price-support commodities are disposed of through the commodity export program and special activities, such as sales for foreign currencies, the furnishing of commodities for various purposes, and similar operations, these disposals are for accounting purposes treated as price-support program disposals.

DATA ON PRICE-SUPPORT PROGRAM

(In millions)

	1959 actual	1960 estimate	1961 estimate
Loans made.....	\$3,525	\$2,055	\$1,826
Loans repaid.....	674	819	816
Loan collateral forfeited.....	1,973	2,059	1,364
Loans outstanding June 30.....	2,448	1,625	1,271
Acquisitions.....	3,355	5,090	4,400
Cost of goods sold.....	2,308	3,718	3,275
Donations.....	302	249	229
Inventory as of June 30.....	6,200	7,323	8,219
Investment in price support as of June 30.....	8,648	8,948	9,490
Net expenditures.....	2,608	1,080	1,569
Realized losses.....	805	980	899

2. *Commodity export program.*—The Corporation promotes the export of agricultural commodities and products through sales, barter, payments, and other operations. Such commodities and products may be those held in private trade channels as well as those in Commodity Credit Corporation's inventory. This program is carried out under the authority contained in the Corporation's charter, particularly sections 5(d) and 5(f), and in accordance with specific statutes where applicable, such as sections 407 and 416 of the Agricultural Act of 1949, the International Wheat Agreement Act of 1949 (7 U.S.C. 1641), the Agricultural Trade Development and Assistance Act of 1954, title I of the Agricultural Act of 1954 and title II of the Agricultural Act of 1956. In general, transactions involving foreign currencies are conducted pursuant to the Agricultural Trade Development and Assistance

Act of 1954, as amended. However, other such transactions may be conducted under the charter authority.

Obligations under the International Wheat Agreement and titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, are paid by the Corporation subject to reimbursement from appropriations authorized for such purpose.

Currently, in addition to the exports under the International Wheat Agreement, Commodity Credit Corporation wheat is available for export trade under barter programs of Commodity Credit Corporation at competitive world prices and is also made available to exporters in payment of the price differential between the prevailing world export sales price and the domestic market price which is earned on exports of free-market wheat outside the International Wheat Agreement and under this agreement. Cash payments are made on all exports of wheat flour either under the International Wheat Agreement or outside the agreement. Wheat and flour payments outside the Agreement are made on exports to countries not participating in the Agreement.

In order to encourage movement of cotton, corn, barley, grain sorghums, oats, rye, and rice from free-market supplies into export channels, export payments are made in the form of these commodities from the Corporation's stocks.

Cotton held in the Corporation's inventory is also sold for unrestricted use on a competitive price basis. The Corporation also conducts a cotton products export program designed to protect the competitive position of the domestic cotton industry in relation to sales of cotton products manufactured abroad from American cotton purchased at export prices. Equalization payments, based on the raw cotton content in the products exported, are made to exporters on cotton products of upland cotton grown and wholly processed in the United States.

The Corporation also furnishes agricultural commodities and products for distribution or exhibition at international trade fairs to aid in the development of foreign markets for such commodities.

3. *Storage facilities program.*—This program is carried out under the authority contained in the Corporation's charter, particularly sections 4(h), 4(m), and 5 (a) and (b). The Corporation (a) purchases and maintains (in storage deficient areas) granaries and equipment for care and storage of grain owned or controlled by the Corporation; (b) makes loans for the construction or expansion of farm-storage facilities; (c) provides storage-use guarantees to encourage the construction of commercial storage facilities; and (d) undertakes other operations necessary to provide storage adequate to carry out the Corporation's programs.

4. *Supply and foreign purchase program.*—This program is carried out under the authority contained in the Corporation's charter, particularly sections 5 (b) and (c) thereof. The Corporation procures foods, agricultural commodities, their products, and related materials to supply the requirements of Government agencies, foreign governments, and relief and rehabilitation agencies, and to meet domestic requirements. Foods, agricultural commodities and their products are procured or aid is given in their procurement to facilitate distribution or to meet anticipated requirements during periods of short supply. The Corporation may also, through purchases, loans, sales or other means, make available materials and facilities required in connection with the production and marketing of agricultural commodities.

Operations involving procurement for other Government agencies are conducted in accordance with section 4 of the act of July 16, 1943 (15 U.S.C. 713a-9), which requires that the Corporation be fully reimbursed for services performed, losses sustained, operating costs incurred, or commodities purchased or delivered to or on behalf of any other Government agency from the appropriate funds of such agency. Operations not subject to section 4 of the act may involve losses if such are necessary to the accomplishment of the objectives of the particular operation.

The main activities now carried on are procurement of commodities for the International Cooperation Administration, and initial financing of certain programs authorized under the Defense Production Act to assure adequate supplies of strategic and critical materials. The latter programs are currently in liquidation.

Loan operations.—The following table reflects the loan operations of the Corporation applicable to the preceding programs.

	1959 actual	1960 estimate	1961 estimate
Loans outstanding, gross, beginning of year:			
Commodity Credit Corporation.....	\$1,171,908,623	\$2,250,754,663	\$1,244,998,107
Lending agencies.....	183,547,886	916,490	-----
Certificates of interest.....	244,499,383	228,631,115	414,000,000
Total, loans outstanding, gross, beginning of year.....	1,599,955,892	2,480,302,268	1,658,998,107
Add loans made.....	3,542,788,688	2,068,448,116	1,839,539,500
Deduct—			
Loans repaid.....	684,905,507	829,182,660	826,769,400
Acquisition of loan collateral.....	1,973,291,072	2,059,314,617	1,363,389,600
Transfers to accounts receivable.....	1,118,744	310,000	310,000
Writeoffs.....	3,126,989	945,000	550,000
Total, loans outstanding, gross, end of year.....	2,480,302,268	1,658,998,107	1,307,518,607
Loans outstanding end of year:			
Commodity Credit Corporation.....	2,250,754,663	1,244,998,107	1,036,518,607
Lending agencies.....	916,490	-----	-----
Certificates of interest.....	228,631,115	414,000,000	271,000,000
Total, loans outstanding, gross, end of year.....	2,480,302,268	1,658,998,107	1,307,518,607
Deduct allowance for losses.....	407,183,000	240,188,000	198,473,000
Loans receivable, net (price support and storage facilities).....	2,073,119,268	1,418,810,107	1,109,045,607

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs.

AGRICULTURAL COMMODITIES	1959 actual	1960 estimate	1961 estimate
On hand, start of year.....	\$5,233,987,750	\$6,131,144,569	\$7,308,386,916
Acquisitions:			
Forfeiture of loan collateral.....	1,973,290,685	2,059,314,617	1,363,389,600
Excess of collateral acquired over loans canceled.....	87,076,550	66,832,266	72,494,400
Purchases.....	498,382,760	2,003,486,401	1,950,810,298
Transfers and exchanges, net.....	-13,223,751	-----	-----
Carrying charges.....	653,223,805	781,558,468	888,513,778
Total, acquisitions.....	3,198,750,049	4,911,191,752	4,275,208,076
Dispositions:			
Donations to—			
Veterans Administration and Armed Forces.....	41,264,324	29,365,000	24,055,000
Emergency feed program.....	509,599	4,699,000	4,764,000
Needy persons, domestic.....	80,169,875	93,907,483	75,047,000
Needy persons, foreign (excluding title 11, Public Law 480).....	178,669,760	120,905,000	125,145,000
Research, experimentation, education, etc.....	1,127,831	373,000	255,000
Total, donations.....	301,741,389	249,249,483	229,266,000
Sales and transfers:			
Bartered for strategic materials.....	127,203,767	130,726,400	96,329,000
Special programs:			
International Wheat Agreement.....	28,356,964	35,680,000	50,370,000
Title I, Public Law 480.....	355,380,927	321,875,881	334,094,000
Title II, Public Law 480.....	58,786,032	68,840,500	71,720,000
Migratory waterfowl feed.....	17,363	35,000	35,000
Total special programs.....	442,541,286	426,431,381	456,219,000
Commodity export program, payment-in-kind deliveries and other transfers.....	88,921,755	235,852,000	201,203,000
Other sales.....	826,287,778	1,948,254,389	1,715,418,948
Net loss on sales and transfers.....	514,897,255	743,435,752	680,841,754
Total, sales and transfers.....	1,999,851,841	3,484,699,922	3,150,011,702
Total, dispositions.....	2,301,593,230	3,733,949,405	3,379,277,702

AGRICULTURAL COMMODITIES—continued	1959 actual	1960 estimate	1961 estimate
On hand, end of year.....	\$6,131,144,569	\$7,308,386,916	\$8,204,317,290
Less allowance for losses.....	2,587,027,000	3,044,763,000	3,308,267,000
On hand, end of year, net.....	3,544,117,569	4,263,623,916	4,896,050,290
STRATEGIC AND CRITICAL MATERIALS			
On hand, start of year.....	221,597,154	69,951,145	15,000,000
Acquisitions:			
Delivered by barter contractors.....	152,086,635	174,521,298	120,000,000
Carrying charges.....	5,271,098	5,500,000	5,500,000
Total, acquisitions.....	157,357,733	180,021,298	125,500,000
Dispositions:			
National stockpile and other agencies.....	61,245	-----	-----
Special program: Supplemental stockpile.....	314,727,557	237,222,443	126,700,000
Difference between cost and transfer value.....	-5,785,060	-2,250,000	-1,200,000
Total, dispositions.....	309,003,742	234,972,443	125,500,000
On hand, end of year.....	69,951,145	15,000,000	15,000,000
Less allowance for losses.....	46,000	-----	-----
On hand, end of year, net.....	69,905,145	15,000,000	15,000,000

5. *Special milk program.*—Public Law 85-478 (7 U.S.C. 1446 note), as amended, authorized the use of not to exceed \$81 million for 1960 and \$84 million for 1961, of Commodity Credit Corporation funds to increase the consumption of fluid milk by children in nonprofit schools of high-school grade and under and in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. The act further provides that amounts spent shall not be considered expended for the purpose of carrying out the price-support program.

6. *Undistributed expenses.*—There are a number of expenses which are not allocated to a specific program. These include interest on the capital stock of the Corporation, on borrowings from Treasury, and on other obligations evidencing loans made by lending agencies, administrative expenses, and other miscellaneous costs, including expenses of the agricultural stabilization and conservation county committees, and Federal Reserve banks in connection with the Corporation's programs.

Administrative expenses are for the operating staff, including the services of employees of the Commodity Stabilization Service engaged in Commodity Credit Corporation activities, services performed by other agencies of the Department, costs of audit, and payments to the General Services Administration for space in the District of Columbia and rent of field office space. Also included, for the first time, are funds for the International Cooperation Administration for services including program screening and end-use audit of the foreign donation program under section 416 of the Agricultural Act of 1949. Estimates for 1961 include a limitation of \$48,428,000 for costs of administration including a reserve of not less than 7% for contingencies. The requested authorization excludes administrative expenses in connection with the supply and foreign purchase program, the wool and mohair program under the National Wool Act of 1954, the International Wheat Agreement, and the sale of long staple cotton transferred from the national stockpile, since it is contemplated that full reimbursement will be received for these expenses. Such reimbursement will be obtained and used in 1961 in the same manner as in previous years.

Expenses in connection with the acquisition, operation, maintenance, improvement, or disposition (including inspection, classing, and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors and work performed on a contract basis by agricultural stabilization and conservation county committees) of property which the Corporation owns or in

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

which it has an interest have been treated as program rather than administrative expenses. Similarly, expenses of other Federal agencies whose services are utilized in the handling of Commodity Credit Corporation property are treated as program expenses. Such expenses would include the fleet storage operation of the Maritime Administration conducted intermittently since 1949 and the services rendered by the General Services Administration in connection with the strategic, critical, and other materials acquired by the Corporation.

SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION

7. *Special activities.*—These activities are carried out under authority of section 5(g) of the Corporation's charter and specific statutory authorizations or directives with respect thereto which are currently in effect or which may subsequently be enacted.

Except with respect to the activities set forth in items (11) and (12) where losses, if any, would be recovered through the general restoration of capital impairment, the Corporation receives reimbursement for costs of these activities through regular appropriations. Appropriations to reimburse the Corporation for 1956 and prior years' costs of such activities have been included in the regular appropriations to the Department for the second year following the year in which the costs were incurred. The 1957 and 1958 costs were recovered through supplemental appropriations in 1958 and 1959, respectively. The 1961 estimate for 1960 costs continues the acceleration of the time of recovery by the Commodity Credit Corporation to minimize the possibility that the Corporation will not have sufficient borrowing authority to conduct its mandatory price-support operations. Reimbursement for 1961 costs will be requested in a later budget.

Activities currently being carried out are as follows:

(1) *International Wheat Agreement*—(7 U.S.C. 1641-1642).—This agreement, which was renewed for a period of 3 years effective August 1, 1959, operates to provide an assured market for wheat to exporting countries and assured supplies of wheat to importing countries at stable and equitable prices. The maximum and minimum prices in the 1959 agreement are \$1.90 and \$1.50 per bushel, respectively, for the basic grade of wheat, No. 1 Manitoba Northern, at Fort William/Port Arthur, Canada, in terms of Canadian currency at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1949. The agreement total quantity represents about 36% of world trade in wheat, yet the nine exporting member countries export inside and outside the agreement about 90% of all wheat moving in world trade.

Funds of Commodity Credit Corporation and its stocks of wheat are used to pay (a) the difference between the selling prices prevailing under the agreement and the domestic market price of wheat, and (b) administrative and interest costs. The payment of the differential between the prevailing sales price of wheat under the agreement and the market price is paid to the exporter in Commodity Credit Corporation stocks of wheat rather than in cash. A cash payment for this differential

is made for flour. The estimate for 1961 of \$49,042,000 provides for reimbursing the Corporation for costs incurred in 1960 when an estimated 82.5 million bushels of wheat and wheat flour will be exported under the agreement.

(2) *Emergency famine relief to friendly peoples.*—The Commodity Credit Corporation, through December 31, 1961, is directed, under title II of Public Law 480 (7 U.S.C. 1703, 1721-1724), to make its stocks of agricultural commodities available for emergency assistance to friendly peoples in meeting famine or other urgent relief requirements and to pay ocean freight charges for the shipment of donated commodities. Through June 30, 1959, commitments undertaken under this authority totaled \$546 million. Of this amount the value of commodities authorized for shipment totaled \$449 million of which more than three quarters, or \$340 million, was for grain, including rice. Actual commodity and freight costs incurred through June 30, 1959, were \$510 million. During 1960 and 1961, additional commodity and freight costs of \$113 million and \$117 million, respectively, are expected to be incurred under the program.

Appropriations are authorized to reimburse the Corporation for its costs in carrying out the program. Through December 31, 1959, a total of \$800 million was authorized. From January 1, 1960, \$300 million per calendar year is authorized through December 31, 1961, plus unused balances of the previous authorization. The estimate for 1961 of \$115 million provides such reimbursement for estimated operations during 1960.

It is estimated that total costs under this program will approximate \$760 million by June 30, 1961, and the following reflects the costs incurred in carrying out this program:

Fiscal year	Program expenditures	Interest	Total
1955.....	\$86,623,135	\$273,329	\$86,896,464
1956.....	91,277,033	2,307,966	93,584,999
1957.....	120,429,754	4,460,886	124,890,640
1958.....	116,001,011	5,444,617	121,445,628
1959.....	95,510,719	2,417,061	97,927,780
1960 (estimate).....	112,745,000	2,255,000	115,000,000
1961 (estimate).....	117,360,000	2,640,000	120,000,000
Cumulative totals.....	739,946,652	19,798,859	759,745,511

(3) *Sales of surplus agricultural commodities for foreign currencies.*—Under the Agricultural Trade Development and Assistance Act (7 U.S.C. 1701-1709), surplus agricultural commodities are sold for foreign currencies. These currencies may then be used within certain limitations by the United States Government for agricultural market development, purchase of strategic materials, military equipment facilities and services for the common defense, payment of U.S. obligations, military family housing, international education exchange, acquisition of quarters abroad, participation in fairs and related activities, medical and scientific activities, American-sponsored schools abroad, translation, publication and distribution of books and audio-visual educational materials abroad, analysis and estimation of foreign books, supporting workshops in American studies and educational techniques, emergency relief requirements other than surplus food commodities, acquisition of buildings and grounds abroad for U.S. Government use, and loans for multilateral trade and economic development. If appropriations are available for a purpose for which foreign currencies are used, the agency must buy the currency for dollars which are used to reimburse the Commodity Credit Corporation. Through June 30, 1959, 158 agreements had been signed with 38 countries for commodities representing an export market value of \$3,701.2 million, including ocean transportation of \$393.7 million. The major commodities

included were wheat, cotton, and fats and oils which together amounted to 77% of the total value of the agreements. Through that date commodities with an export market value of about \$2,810.1 million had been shipped. The total dollar equivalent of foreign currencies deposited in the Treasury through June 30, 1959, amounted to \$2,934,526,588.

Appropriations are authorized to reimburse the Corporation for its net costs in carrying out this program. Through December 31, 1959, a total of \$6.25 billion was so authorized. From January 1, 1960, \$1.5 billion per calendar year is authorized through December 31, 1961, plus unused balances of the previous authorization. The estimate in 1961 of \$881,000,000 covers estimated unreimbursed costs of operations through 1960 amounting to \$1,235,620,260 less \$354,620,260 representing the dollar equivalent of various foreign currencies received for agricultural commodities exported as of June 30, 1960, for which the Corporation may eventually be reimbursed in dollars or which may be used for military housing with subsequent reimbursement from net rental receipts.

The following table reflects the net costs incurred by Commodity Credit Corporation by years:

<i>Fiscal year</i>	<i>Program expenditures</i>	<i>Interest</i>	<i>Total</i>
1955-----	\$129,164,632	\$355,528	\$129,520,160
1956-----	616,963,458	7,263,254	624,226,712
1957-----	1,361,973,711	34,399,783	1,396,373,494
1958-----	1,089,007,675	55,710,312	1,144,717,987
1959-----	1,089,071,676	24,182,660	1,113,254,336
1960 (estimate)-----	1,100,000,000	29,296,541	1,129,296,541
1961 (estimate)-----	1,250,000,000	40,860,000	1,290,860,000
Cumulative totals-----	6,636,181,152	192,068,078	6,828,249,230
Deduct sales of currencies and rental collections-----	423,537,385	-----	423,537,385
Net Commodity Credit Corporation costs-----	6,212,643,767	192,068,078	6,404,711,845
Appropriations through June 30, 1961-----	-----	-----	4,877,849,228
Unreimbursed costs, June 30, 1961-----	-----	-----	1,526,862,617

The following reflects the computation of the appropriations:

	<i>Program year</i>		
	<i>1959</i>	<i>1960</i>	<i>1961</i>
Due at end of program year-----	\$1,148,505,355	\$1,235,620,260	\$1,526,862,617
Less—			
Due from Department of Defense-----	44,757,462	67,914,854	86,397,211
Estimated to be recovered through sale of foreign currencies and net rental income from military housing-----	135,731,893	286,705,406	351,465,406
Subtotal-----	180,489,355	354,620,260	437,862,617
Appropriation: 1960, 1961, and 1962-----	968,016,000	881,000,000	1,089,000,000

The following reflects the utilization of the foreign currencies acquired under this program:

	<i>[In millions]</i>		
	<i>1959</i>	<i>1960</i>	<i>1961</i>
Foreign currency, start of year:			
Balance with Treasury-----	\$1,412.4	\$1,661.4	\$1,738.5
Collections in transit to Commodity Credit Corporation-----	6.4	-----	-----
Receivable from foreign governments-----	128.4	70.1	70.1
Total-----	1,547.2	1,731.5	1,808.6
Commodities shipped: Commodity Credit Corporation cost:			
Commodity Credit Corporation-owned commodities-----	355.4	321.9	334.1
Private stocks financed by Commodity Credit Corporation including ocean transportation-----	696.6	743.1	880.9
Ocean freight differential-----	37.1	35.0	35.0
Interest expense-----	24.2	29.3	40.9
Total, Commodity Credit Corporation cost-----	1,113.3	1,129.3	1,290.9
Deduct—			
Ocean freight differential-----	37.1	35.0	35.0
Adjustment to export market value, including ocean transportation where applicable-----	297.6	253.8	343.4
Foreign currencies becoming due-----	778.6	840.5	912.5

	<i>[In millions]</i>		
	<i>1959</i>	<i>1960</i>	<i>1961</i>
Deduct foreign currency dispositions:			
Received from Treasury sales-----	\$89.7	\$69.2	\$114.1
Expended by Defense for military family housing-----	14.8	28.5	23.0
Expended by other agencies without reimbursement to Commodity Credit Corporation-----	450.6	625.7	751.9
Adjustment due to difference in exchange rates-----	39.2	40.0	40.0
Total, dispositions-----	594.3	763.4	929.0
Foreign currency, end of year:			
Balance with Treasury-----	1,661.4	1,738.5	1,722.0
Receivable from foreign governments-----	70.1	70.1	70.1
Total-----	1,731.5	1,808.6	1,792.1
Less allowance for loss and future expenditures with reimbursement by special appropriations to Commodity Credit Corporation-----	1,551.0	1,454.0	1,354.2
Recoverable from future sales of currencies and net receipts from military family housing-----	180.5	354.6	437.9

(4) *Long-term supply contracts.*—Under title IV of the Agricultural Trade Development and Assistance Act (73 Stat. 610), the President is authorized to make agreements with friendly nations under which the United States would deliver surplus commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years. The funds and assets of the Corporation are authorized to be used to carry out the provisions of title IV and appropriations are authorized to reimburse the Corporation therefor. Operating policies and plans have not yet been developed on which to base an estimate of possible activity under this title.

(5) *Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed.*—The Commodity Credit Corporation is directed to make available to the Secretary of the Interior (7 U.S.C. 442-446), such grain acquired through price-support operations and certified by the Commodity Credit Corporation to be available for such purposes or in such condition as to be undesirable for human consumption, as the Secretary of the Interior shall requisition.

During 1959, a total of 275 tons of Commodity Credit Corporation grain, with an investment value of \$17,363, were transferred under this program. It is estimated that 400 tons of grain will be transferred in each of 1960 and 1961 at a cost to Commodity Credit Corporation of \$35,000. The estimate for 1961 provides for reimbursement for operations during 1960.

(6) *Transfer of bartered materials to supplemental stockpile.*—The Commodity Credit Corporation is directed under title II of the Agricultural Act of 1956 (7 U.S.C. 1856) to transfer strategic and other materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile or for other purposes, to the supplemental stockpile. The act authorizes appropriations to reimburse the Corporation for amounts equal to the market value of materials transferred.

During 1959, materials valued at \$314,727,557 were transferred under this program. An estimated \$237,222,443 worth of materials will be transferred in 1960 and \$126,700,000 in 1961. The estimate for 1961 provides for reimbursement of \$422,950,000. Of this amount \$185,727,557 represents unrecovered 1959 transfers and \$237,222,443 are the estimated transfers to be made in 1960.

(7) *Grading and classing activities.*—The Commodity Credit Corporation makes advances to the Agricultural Marketing Service for classing and grading of agricultural commodities without charge to producers (7 U.S.C. 414a). Such advances used for classing cotton and grading tobacco not placed under price-support loan must be repaid from subsequent appropriations. An appropriation for 1961

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

of \$715,000 is proposed for repaying advances to be received in 1960.

(8) *Soil bank program.*—Pursuant to section 120 of the Agricultural Act of 1956 (7 U.S.C. 1808) the Secretary of Agriculture utilizes the facilities of the Corporation for making payments to farmers under this program.

(9) *National Wool Act.*—Under the provisions of the National Wool Act of 1954, as amended, incentive payments are being used to encourage the annual domestic production of approximately 300 million pounds of shorn wool. Support of prices of wool and mohair is mandatory. Incentive payments are made to eligible producers on a percentage basis, reflecting the amount required to bring the national average received by all producers up to the announced incentive level. The incentive level shall not exceed 110% of parity. In a referendum conducted in September 1959, wool and lamb producers voted to continue the deduction from their incentive payment of an amount not to exceed 1 cent per pound of wool and 5 cents per hundredweight of unshorn lambs marketed. These funds financed promotional, advertising, and related market-development activities by the American Sheep Producers' Council, Inc., under an agreement with the Secretary of Agriculture.

COSTS OF THE NATIONAL WOOL ACT

	Fiscal year 1959 1957 market- ing year (actual)	Fiscal year 1960 1958 market- ing year (estimate)	Fiscal year 1961 1959 market- ing year (estimate)
Volume of marketings:			
Shorn wool.....pounds..	152,213,400	295,000,000	251,900,000
Unshorn lambs.....cwt..	10,515,600	10,500,000	11,000,000
Incentive payments:			
Per pound, shorn wool.....cents..	8.3	25.6	21.0
Per hundredweight, unshorn lambs cents..	33.0	102.0	84.0
Incentive payments:			
Shorn wool.....	\$12,633,712	\$75,520,000	\$52,899,000
Unshorn lambs.....	3,470,164	10,710,000	9,240,000
Promotional and advertising pro- grams.....	(2,028,301)	(3,400,000)	(3,000,000)
Total payments.....	16,103,876	86,230,000	62,139,000
Administrative expenses.....	2,749,559	2,950,000	2,950,000
Interest expense.....	1,220,941	4,331,000	5,259,000
	20,074,376	93,511,000	70,348,000
Prior year adjustments (recoveries).....	-48,549		
Total.....	20,025,827	93,511,000	70,348,000

¹ Deductions from producer payments.

Total payments made under the National Wool Act cannot at any time exceed an amount equal to 70% of the accumulated totals, as of the same date, of the gross receipts from import duties collected on and after January 1, 1953, on wool and wool manufactures. Actual and estimated payments compared with this limitation are as follows:

	1959 actual	1960 estimate	1961 estimate
70% of customs receipts on wool and wool manufactures cumulative from Jan. 1, 1953 (calendar years) (estimate).....	\$291,034,432	\$342,034,000	\$393,034,000
Cumulative incentive payments (fiscal years).....	125,640,083	211,870,083	274,009,083
Balance of limitation available.....	165,394,349	130,163,917	119,024,917

Funds of the Commodity Credit Corporation are used to carry on the wool incentive program. A permanent appropriation is provided to reimburse the Corporation, but the yearly amount is limited to 70% of all duties collected on wool and wool manufactures during the preced-

ing calendar year. Estimated costs and reimbursements to Commodity Credit Corporation during 1959, 1960, and 1961 are indicated in the following table:

	1959 actual	1960 estimate	1961 estimate
Due at beginning of year.....	\$88,803,121	\$84,375,849	\$127,836,536
Costs for year:			
Program.....	18,804,886	89,180,000	65,089,000
Interest.....	1,220,941	4,331,000	5,259,000
Total.....	20,025,827	93,511,000	70,348,000
Total due.....	108,828,948	177,886,849	198,184,536
Reimbursement to Commodity Credit Corporation.....	24,453,099	50,050,313	51,000,000
Due Commodity Credit Corporation at end of year.....	84,375,849	127,836,536	147,184,536
Less—			
Amount recovered from permanent appro- priation (70% of customs receipts).....	24,453,099	50,050,313	51,000,000
Balance due Commodity Credit Corpora- tion recoverable from subsequent years' customs receipts.....	9,872,437	26,786,223	45,184,536
Appropriation: 1960, 1961, and 1962....	50,050,313	51,000,000	51,000,000

(10) *Loans to Secretary of Agriculture for conservation program.*—Under section 391(c) of the Agricultural Act of 1938, as amended (7 U.S.C. 1391), the Corporation advances funds to the Secretary in amounts not to exceed \$50 million annually to purchase conservation materials and services. Repayments of the loans plus interest are made as soon as practicable in the succeeding fiscal year from appropriated funds.

(11) *Military housing (Public Law 84-161 (5 U.S.C. 171z-1)).*—During 1957 a contract was completed for the disposition of Commodity Credit Corporation-owned commodities valued at \$50 million for the construction of military housing in France with foreign currencies obtained from this transaction. Proceeds from rental and quarters allowances will be paid by the Department of Defense over a long period of years to reimburse the Corporation pursuant to Public Law 84-161.

(12) *Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.*—Public Law 85-96, approved July 10, 1957 (71 Stat. 290), authorizes the transfer of 50,000 bales of domestically grown extra long-staple cotton from the national stockpile to the Corporation for sale. Proceeds less costs incurred, including administrative expenses, are covered into the Treasury as miscellaneous receipts.

FINANCING THE PROGRAMS

Financing.—The programs of the Commodity Credit Corporation are financed by capital stock, borrowings, guarantees to purchase notes or other obligations evidencing loans made by leading agencies, issuance of certificates of interest in loans held by the Corporation, restoration of capital impairment, appropriations to reimburse the Corporation for costs of special activities, and receipts from operations.

Borrowing authority.—The Corporation has an authorized capital stock of \$100,000,000 held by the United States, and authority to borrow up to \$14,500,000,000.

Funds are borrowed from Treasury and may also be borrowed from private lending agencies. During the fiscal year 1960, the Corporation extended its certificate of interest method of financing cotton and grain loans to all commodity loans held by the Corporation. It is contemplated that this plan will continue in effect in the fiscal year 1961. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1938 (15 U.S.C. 713a-4). Interest

on borrowings from the Treasury (and on capital stock) is paid in accordance with a policy of the Treasury that the rate shall be based upon the average interest rate on all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. In connection with loan guarantees and certificates of interest, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made or certificates held by lending agencies. Interest is also paid on these obligations for the period the agencies have their funds invested. Currently, the interest rate paid is below that paid on Treasury borrowings. An appropriation in 1961 to reimburse the Corporation for funds used for 1960 costs of special programs and certain advances to other agencies is included in the estimates.

On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently indicate a need for additional borrowing authority late in 1960 to provide a desirable margin of safety for operations of the Corporation. By May and June 1961, however, the available balance of borrowing authority will be at a low level. There are so many uncontrollable factors affecting the programs of the Corporation involving crops which have not even been planted, that estimates of the use of borrowing authority are highly tentative.

POSITION WITH RESPECT TO BORROWING AUTHORITY AS OF JUNE 30

[In millions]

	1959 actual	1960 estimate	1961 estimate
Statutory borrowing authority.....	\$14,500	\$14,500	\$14,500
Deduct borrowings from Treasury.....	12,874	12,970	14,032
Obligations to purchase loans or certificates held by lending agencies (guaranteed by Commodity Credit Corporation).....	230	414	271
Total statutory borrowing authority outstanding.....	13,104	13,384	14,303
Net statutory borrowing authority available.....	1,396	1,116	197

NOTE.—This table does not reflect the following charges: Accounts payable, accrued liabilities, and obligations outstanding other than obligations to purchase loans and certificates held by banks. These do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or loans or certificates held by banks.

Restoration of capital impairment.—Pursuant to the act of March 8, 1938, as amended (15 U.S.C. 713a-1), an appraisal of the assets and liabilities of the Corporation is made each year by the Secretary of the Treasury to determine the net worth. If the net worth is less than \$100 million, the Secretary of the Treasury restores the amount of capital impairment; if net worth is more than \$100 million the Corporation pays the surplus to the Treasury (15 U.S.C. 713a-2). The appraisal of assets is on the basis of cost to the Corporation. The capital impairment, therefore, represents realized losses. The unrestored realized losses reflected on the books of the Corporation for 1959 were \$1,307,000,994, including \$100 million of 1958 losses. A supplemental appropriation of \$675 million is proposed for later transmission in 1960 to restore \$575 million of the Corporation's capital impairment as of June 30, 1959, and \$100 million to restore the unrecovered balance of the 1958 realized losses. In addition, included in the estimates for 1961 is an appropriation of \$1,325,000,000 to restore the 1959 unrecovered realized losses of \$632,000,994 and an advance restoration of \$692,999,006 of the estimated 1960 realized losses of \$1,867,750,000. Ordinarily, this would be included in the 1962 budget. However, it is anticipated that the Corporation's borrowing authority will be

exhausted by January 1961, and an earlier restoration of capital would minimize the possibility for the need for an increase in borrowing authority.

Receipts from operations.—These include proceeds from sales of commodities, loan repayments, interest income, advances, reimbursements for special activities financed by the Corporation other than from special appropriations, and miscellaneous income, refunds, and collections.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Gross expenditures (funds applied):			
Price support program.....	\$4,953,902,284	\$4,715,110,214	\$4,873,032,678
Less commodity transfers to—			
Special activities financed by Commodity Credit Corporation.....	757,268,843	663,653,824	582,919,000
Commodity export program.....	127,124,362	285,802,000	248,945,000
Price support program, net of transferred charges.....	4,069,509,079	3,765,654,390	4,041,168,678
Commodity export program:			
Expense.....	132,436,160	295,410,000	260,441,000
Storage facilities program:			
Acquisition of assets.....	19,935,076	44,516,490	43,600,000
Expense.....	86,380	65,000	65,000
Supply and foreign purchase program: Expense.....	1,186,445	1,116,152	1,045,298
Special milk program: Expense (including administrative).....	75,932,962	81,000,000	85,000,000
Undistributed expenses:			
Administrative expense subject to limitation (excluding special milk).....	37,615,883	42,739,900	43,844,900
Interest expense:			
Treasury.....	181,409,322	482,875,000	503,000,000
Other.....	11,129,085	20,863,000	27,163,000
Other expense.....	12,197,368	27,876,923	27,891,446
Total gross expenditures.....	4,541,437,760	4,762,116,855	5,033,219,322
Receipts from operations (funds provided):			
Price support program, net.....	1,462,048,089	2,685,425,653	2,472,034,050
Commodity export program:			
Revenue.....	2,345		
Storage facilities program:			
Receipts from loans.....	10,540,778	11,010,000	11,010,000
Other program revenue.....	47,224		
Supply and foreign purchase program: Revenue.....	1,311,232	1,450,615	1,170,298
Special milk program: Revenue (recoveries).....	1,265,068	1,141,900	1,341,900
Undistributed: Interest and other revenue.....	47,207,434	61,849,041	70,222,200
Decrease in selected working capital.....	169,437,898	93,704,404	114,535,000
Total receipts from operations.....	1,691,860,068	2,854,581,613	2,670,313,448
Budget expenditures, price support, supply, and related programs and special milk.....	2,849,577,692	1,907,535,242	2,362,905,874
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule)			
Gross expenditures (funds applied):			
Commodities transferred from price support program.....	757,268,843	663,653,824	582,919,000
Other program expenses.....	895,275,862	900,212,619	1,038,247,000
Interest on balance recoverable.....	29,543,251	36,844,541	50,259,000
Increase in selected working capital (soil bank and other).....	56,277,886	238,874,494	85,590,357
Loans for agricultural conservation purposes.....	40,000,000	38,200,000	19,200,000
Total gross expenditures.....	1,778,365,842	1,877,785,478	1,776,215,357
Receipts from operations (funds provided):			
Recovered from other than special appropriations to reimburse Commodity Credit Corporation.....	133,740,411	248,314,986	201,860,000
Repayment of loans for agricultural conservation purposes.....	33,000,000	36,900,000	30,800,000
Total receipts from operations.....	166,740,411	285,214,986	232,660,000
Budget expenditures, special activities financed by Commodity Credit Corporation.....	1,611,625,431	1,592,570,492	1,543,555,357
Total net budget expenditures.....	4,461,203,123	3,500,105,734	3,906,461,231

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Price support program:			
Revenue.....	\$1,810,964,533	\$2,990,920,115	\$2,607,828,650
Expense.....	2,615,989,843	3,970,895,233	3,506,727,404
Net loss (—) (realized).....	—805,025,310	—979,975,118	—898,898,754
Increase (—) or decrease in allowance for losses (unrealized).....	—604,903,902	—290,882,000	—221,789,000
Net operating loss (—), price support program.....	—1,409,929,212	—1,270,857,118	—1,120,687,754
Commodity export program:			
Net operating loss (—) (realized), commodity export program.....	—132,433,815	—295,410,000	—260,441,000
Storage facilities program: Expense:¹ Net operating loss (—) (realized), storage facilities program.....	—39,156	—65,000	—65,000
Supply and foreign purchase program:			
Revenue.....	1,311,232	1,450,615	1,170,298
Expense.....	1,001,827	1,386,615	1,090,298
Net operating income (realized), supply and foreign purchase program.....	309,405	64,000	80,000
Special milk program:			
Revenue.....	1,265,068	1,141,900	1,341,900
Expense (including administrative).....	75,932,962	81,000,000	85,000,000
Net operating loss (—) (realized), special milk program.....	—74,667,894	—79,858,100	—83,658,100
Undistributed:			
Revenue.....	47,207,434	61,849,041	70,222,200
Expense.....	242,351,658	574,354,823	601,899,346
Net loss (—) (realized).....	—195,144,224	—512,505,782	—531,677,146
Increase (—) or decrease in allowance for losses (unrealized).....	—311,609	356,928	53,000
Net operating loss (—), undistributed.....	—195,455,833	—512,148,854	—531,624,146
Net loss (—) for the year:			
Realized.....	—1,207,000,994	—1,867,750,000	—1,774,660,000
Unrealized.....	—605,215,511	—290,525,072	—221,736,000
Net loss (—) for the year, price support, supply, and related programs and special milk.....	—1,812,216,505	—2,158,275,072	—1,996,396,000
Analysis of deficit (—):			
Deficit (—), beginning of year.....	—5,711,270,716	—5,763,087,335	—5,810,937,994
Appropriation for restoration of capital impairment:			
Enacted or recommended in this document.....	1,760,399,886	1,435,424,413	1,325,000,000
Proposed for later transmission under existing legislation.....		675,000,000	
Deficit (—), end of year, price support, supply, and related programs and special milk.....	—5,763,087,335	—5,810,937,994	—6,482,333,994
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION			
Revenue: Reimbursements received.....	133,740,411	248,314,986	201,860,000
Expense.....	1,682,087,956	1,600,710,984	1,671,425,000
Net loss (—), for the year, special activities financed by Commodity Credit Corporation.....	—1,548,347,545	—1,352,395,998	—1,469,565,000
Deficit (—), beginning of year.....	—1,411,917,154	—1,599,056,789	—1,658,717,536
Reimbursement from special appropriations, net (see schedule).....	1,361,207,910	1,292,735,251	1,519,742,000
Deficit (—), end of year, special activities financed by Commodity Credit Corporation.....	—1,599,056,789	—1,658,717,536	—1,608,540,536
Total deficit (—), end of year, all transactions of Commodity Credit Corporation.....	—7,362,144,124	—7,469,655,530	—8,090,874,530

¹ Operation and maintenance costs applicable to owned structures are reflected as carrying charges on the commodities stored.

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury and in banks.....	\$33,366,006	\$32,419,936	\$32,700,705
Accounts receivable, net (price support, supply, and related programs and special milk).....	262,852,870	178,288,000	119,541,000
Commodities under contract to purchase, net.....	15,520,000	10,422,000	10,422,000
Deferred and undistributed charges, net.....	26,317,090	29,900,000	17,700,000
Commodities for sale, net:			
Agricultural commodities.....	3,544,117,569	4,263,623,916	4,896,050,290
Strategic and critical materials.....	69,905,145	15,000,000	15,000,000
Total commodities for sale, net.....	3,614,022,714	4,278,623,916	4,911,050,290
Loans receivable, net:			
Price support and storage facilities loans.....	2,073,119,268	1,418,810,107	1,109,045,607
Loans for agricultural conservation purposes (special activities financed by Commodity Credit Corporation).....	29,500,000	30,800,000	19,200,000
Total loans receivable, net.....	2,102,619,268	1,449,610,107	1,128,245,607
Amounts recoverable from other than special appropriations (special activities financed by Commodity Credit Corporation):			
Sales of surplus agricultural commodities for foreign currencies:			
Due from foreign currencies to be sold and net rental income from military housing.....	135,731,893	286,705,406	351,465,406
Due from Department of Defense for foreign currencies used in military housing construction (Public Law 480).....	44,757,462	67,914,854	86,397,211
Subtotal.....	180,489,355	354,620,260	437,862,617
Due from Department of Defense from receipts from military housing rentals (Public Law 161, barter and exchange).....	43,009,496	48,500,000	45,500,000
Total amounts recoverable from other than special appropriations.....	223,498,851	403,120,260	483,362,617
Land, structures, and equipment, net.....	139,855,251	156,810,251	172,140,251
Total assets.....	6,418,052,050	6,539,194,470	6,875,162,470
Liabilities:			
Loans and certificates held by lending agencies.....	229,547,605	414,000,000	271,000,000
Price support, supply, and related programs and special milk.....	455,256,484	462,711,000	506,246,000
Special activities financed by Commodity Credit Corporation:			
National Wool Act payments due producers.....	86,250,000	62,139,000	56,791,000
Unused soil bank advances.....	34,720,145		
Other.....	421,940		
Total, special activities financed by Commodity Credit Corporation.....	121,392,085	62,139,000	56,791,000
Total liabilities.....	806,196,174	938,850,000	834,037,000
Government investment:			
Interest-bearing capital:			
Start of year.....	11,628,000,000	12,974,000,000	13,070,000,000
Borrowings from Treasury during year, net.....	1,346,000,000	96,000,000	1,062,000,000
End of year.....	12,974,000,000	13,070,000,000	14,132,000,000
Deficit (—):			
Price support, supply, and related programs and special milk:			
Net realized deficit (—).....	—2,742,425,407	—2,499,750,994	—2,949,410,994
Net unrealized deficit (—).....	—3,020,661,928	—3,311,187,000	—3,532,923,000
Total deficit (—), price support, supply, and related programs and special milk.....	—5,763,087,335	—5,810,937,994	—6,482,333,994
Total deficit (—), special activities financed by Commodity Credit Corporation.....	—1,599,056,789	—1,658,717,536	—1,608,540,536
Total deficit (—).....	—7,362,144,124	—7,469,655,530	—8,090,874,530
Total Government investment.....	5,611,855,876	5,600,344,470	6,041,125,470

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury	\$26,961,333	\$33,366,006	\$32,419,936	\$32,700,705
Budget authorization:				
Enacted or recommended in this document	2,972,000,000	1,626,000,000	855,000,000	468,000,000
Proposed for later transmission under existing legislation			675,000,000	
Total unexpended balance	2,998,961,333	1,659,366,006	1,562,419,936	500,700,705
Obligated balance, net:				
Liabilities	864,530,414	806,196,174	938,850,000	834,037,000
Obligations other than liabilities:				
Price support, supply, and related programs and special milk:				
Purchase agreements outstanding	69,484,000	49,459,000	66,060,000	41,710,000
Unrecorded claims	1,913,324	3,529,931	4,000,000	4,000,000
Approved declarations of sales for export	24,218,901	52,869,858	54,570,000	47,175,006
Farm storage facility and equipment loan commitments	2,825,533	5,459,919	3,985,000	3,985,000
Special activities financed by Commodity Credit Corporation: Commitments which are recoverable:				
Letters of commitment	189,998,243	252,842,090	255,000,000	290,000,000

Status of Certain Fund Balances—Continued

	1958 actual	1959 actual	1960 estimate	1961 estimate
Obligated balance—Con.				
Obligations other—Con.				
Special activities—Con.				
Approved declaration of sales for export	\$1,873,575	\$2,855,980	\$3,275,000	\$4,290,000
Wool payment agreements	17,000,000			
Subtotal	208,871,818	255,698,070	258,275,000	294,290,000
Accounts receivable, net (—):				
Price support, supply, and related programs and special milk	—320,113,771	—262,852,870	—178,288,000	—119,541,000
Amounts recoverable from other than special appropriations, net (—)	—149,566,065	—223,498,851	—403,120,260	—483,362,617
Commitments which are recoverable, included above	—208,871,818	—255,698,070	—258,275,000	—294,290,000
Total obligated balance	493,292,336	431,163,161	486,056,740	328,003,383
Unobligated balance ¹	2,505,668,997	1,228,202,845	1,076,363,196	172,697,322

¹ Statutory obligations against borrowing authority include only borrowings from Treasury and obligations to purchase notes or other obligations evidencing loans made by lending agencies. Other obligations, contingent liabilities, and commitments do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or in notes or other obligations evidencing loans made by lending agencies.

NOTE.—In addition to obligations other than liabilities reflected in the status of certain fund balances the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established and the outstanding guarantee and occupancy agreements for storage space.

SCHEDULE OF SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION

	Program expenditures					Balance as of June 30				
	Balance recoverable, and liabilities (—) as of July 1	Special appropriations to reimburse Commodity Credit Corporation (net)	Commodity costs transferred from price-support program	Other costs and capital outlay	Recovered or recoverable from other than special appropriations	Net operating loss	Changes in selected working capital	Net budget expenditures	Recoverable from special appropriations (deficit)	Recoverable from other appropriations and current liabilities (—) ¹
RECOVERABLE COSTS										
"Reimbursement to Commodity Credit Corporation for costs of special activities":										
International Wheat Agreement:										
1959	\$79,901,610	\$80,800,000	\$28,356,964	\$19,946,205		\$48,303,169		\$48,303,169	\$47,404,779	
1960	47,404,779	47,404,779	35,680,000	13,362,000		49,042,000		49,042,000	49,042,000	
1961	49,042,000	49,042,000	50,370,000	17,745,000		68,115,000		68,115,000	68,115,000	
Emergency famine relief to friendly peoples:										
1959	117,943,898	119,270,000	58,786,032	39,141,748		97,927,780		97,927,780	96,601,678	
1960	96,601,678	96,601,678	68,840,500	46,159,500		115,000,000		115,000,000	115,000,000	
1961	115,000,000	115,000,000	71,720,000	48,280,000		120,000,000		120,000,000	120,000,000	
Sales of surplus agricultural commodities for foreign currencies:										
1959	1,159,984,121	1,033,515,000	355,380,927	757,873,409	\$133,740,411	979,513,925	\$42,522,309	1,022,036,234	968,016,000	\$180,489,355
1960	1,148,505,355	968,016,000	321,875,881	807,420,660	248,296,541	881,000,000	174,130,905	1,055,130,905	881,000,000	354,620,260
1961	1,235,620,260	881,000,000	334,094,000	956,766,000	201,860,000	1,089,000,000	83,242,357	1,172,242,357	1,089,000,000	437,862,617
Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed:										
1959	18,506	18,506	17,363			17,363		17,363	17,363	
1960	17,363	17,363	35,000			35,000		35,000	35,000	
1961	35,000	35,000	35,000			35,000		35,000	35,000	
Transfer of bartered materials to supplemental stockpile:										
1959	82,250,335	82,250,335	314,727,557			314,727,557		314,727,557	314,727,557	
1960	314,727,557	129,000,000	237,222,443			237,222,443		237,222,443	422,950,000	
1961	422,950,000	422,950,000	126,700,000			126,700,000		126,700,000	126,700,000	
Animal disease eradication activities:										
1959	19,387,681	² 19,390,100		1,057,056		1,057,056		1,057,056	1,054,637	
1960	1,054,637	1,036,192			18,445	—18,445		—18,445		
Grading and classing activities:										
1959	1,594,928	1,510,870		524,868		524,868		524,868	608,926	
1960	608,926	608,926		715,000		715,000		715,000	715,000	
1961	715,000	715,000		715,000		715,000		715,000	715,000	
Subtotal:										
1959	1,461,081,079	1,336,754,811	757,268,843	818,543,286	133,740,411	1,442,071,718	42,522,309	1,484,594,027	1,423,430,940	180,489,355
1960	1,608,920,295	1,242,684,938	663,653,824	867,657,160	248,314,986	1,282,995,993	174,130,905	1,457,126,903	1,468,742,000	354,620,260
1961	1,823,362,260	1,468,742,000	582,919,000	1,023,506,000	201,860,000	1,404,565,000	83,242,357	1,487,807,357	1,404,565,000	437,862,617
"Reimbursement to Commodity Credit Corporation, National Wool Act":										
1959	88,803,121	24,453,099		106,275,827		106,275,827	—86,250,000	20,025,827	170,625,849	—86,250,000
1960	84,375,849	50,030,313		69,400,000		69,400,000	24,111,000	93,511,000	189,975,536	—62,139,000
1961	127,836,536	51,000,000		65,000,000		65,000,000	5,348,000	70,348,000	203,975,536	—56,791,000

See footnotes at end of table, p. 356.

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

SCHEDULE OF SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION—Continued

			Program expenditures							Balance as of June 30	
	Balance recoverable, and liabilities (—) as of July 1	Special appropriations to reimburse Commodity Credit Corporation (net)	Commodity costs transferred from price-support program	Other costs and capital outlay	Recovered or recoverable from other than special appropriations	Net operating loss	Changes in selected working capital	Net budget expenditures	Recoverable from special appropriations (deficit)	Recoverable from other appropriations and current liabilities (—)	
RECOVERABLE COSTS—continued											
Other programs:											
Military housing (Public Law 84-161, barter and exchange):											
1959.....	\$11,511,418	-----	-----	-----	-----	-----	\$31,498,078	\$31,498,078	-----	\$43,009,496	
1960.....	43,009,496	-----	-----	-----	-----	-----	5,490,504	5,490,504	-----	48,500,000	
1961.....	48,500,000	-----	-----	-----	-----	-----	-3,000,000	-3,000,000	-----	45,500,000	
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation:											
1959.....	-486,507	-----	-----	-----	-----	-----	400,416	400,416	-----	-86,091	
1960.....	-86,091	-----	-----	-----	-----	-----	86,091	86,091	-----	-----	
Soil bank:											
1959.....	-103,163,077	-----	-----	-----	-----	-----	68,107,083	68,107,083	-----	-35,055,994	
1960.....	-35,055,994	-----	-----	-----	-----	-----	35,055,994	35,055,994	-----	-----	
Total recoverable costs:											
1959.....	1,457,746,034	\$1,361,207,910	\$757,268,843	\$924,819,113	\$133,740,411	\$1,548,347,545	56,277,886	1,604,625,431	\$1,599,056,789	102,106,766	
1960.....	1,701,163,555	1,292,735,251	663,653,824	937,057,160	248,314,936	1,352,395,998	238,874,494	1,591,270,492	1,658,717,536	340,981,260	
1961.....	1,999,698,796	1,519,742,000	582,919,000	1,088,506,000	201,860,000	1,469,565,000	85,590,357	1,555,155,357	1,608,540,536	426,571,617	
CAPITAL OUTLAY											
Loans for agricultural conservation purposes:											
1959.....	22,500,000	-----	-----	40,000,000	33,000,000	-----	-----	7,000,000	-----	29,500,000	
1960.....	29,500,000	-----	-----	35,200,000	36,900,000	-----	-----	1,300,000	-----	30,800,000	
1961.....	30,800,000	-----	-----	19,200,000	30,800,000	-----	-----	-11,600,000	-----	19,200,000	
Net budget expenditures:											
1959.....	-----	-----	-----	-----	-----	-----	-----	1,611,625,431	-----	-----	
1960.....	-----	-----	-----	-----	-----	-----	-----	1,592,570,492	-----	-----	
1961.....	-----	-----	-----	-----	-----	-----	-----	1,543,555,357	-----	-----	

¹ Consists of the following items: Sales of surplus agricultural commodities for foreign currencies—amounts to be recovered from other agencies for future sales of foreign currencies for dollars and from Department of Defense for use of foreign currencies for construction of military housing abroad. Reimbursement to Commodity Credit Corporation, National Wool Act—amounts of liability for accrued payments due producers which will be paid in the succeeding fiscal year. Military housing (Public Law 84-161, barter and exchange)—amount to be recovered from Department of Defense for value of agricultural commodities exchanged for construction of military housing abroad.

Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation—amount available for payment of additional costs or for deposit in the Treasury as miscellaneous receipts. Soil bank—Unused advance received from funds appropriated for soil bank programs and small residual balance of unpaid acreage reserve certificates. Loans for agricultural conservation purposes—amount due from Secretary of Agriculture for advance purchase of conservation materials.

² During fiscal year 1960 \$9,666, representing refund of prior year advances, was returned to the Treasury.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$42,000,000] \$48,423,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, (1) That no part of this authorization shall be used to formulate or carry out a price support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements made or made available by Commodity Credit Corporation to any person on the 1960 production of any agricultural commodity declared by the Secretary to be in surplus supply, unless (a) such person shall reduce his production of such commodity from that which such person produced the preceding year, in such percentage, not to exceed 20 per

centum, as the Secretary may determine to be essential to bring production in line within a reasonable period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (b) such person shall agree to repay all amounts advanced in excess of \$50,000 for any agricultural commodity within twelve months from the date of the advance of such funds or at such later date as the Secretary may determine, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision. (7 U.S.C. 442-446, 624, 1282, 1301, 1385, 1391c, 1421-1432, 1441-1449, 1691-1694, 1701-1709, 1721-1724, 1741-1747, 1808, 1813, 1851-1854, 1856-1857, 1859-1860; 12 U.S.C. 1148a-2; 15 U.S.C. 712a, 713a-10, 714-714p; 31 U.S.C. 841, 846-852, 866-868c, 869; 50 U.S.C. App. 1917; 71 Stat. 290; 73 Stat. 15, 279, 363, 574, 606-609; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Price support program.....	\$34,462,890	\$39,294,100	\$39,372,500
2. Commodity export program.....	1,333,551	1,695,600	1,708,700
3. Storage facilities program.....	1,643,056	1,750,200	1,763,700
4. International Cooperation Administration services.....			1,000,000
5. Special milk program.....	640,500	658,100	658,100
6. Adjustment to prior year costs.....	-480,952		
Total program costs.....	37,599,045	43,398,000	44,503,000
7. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	657,338		
Total program (obligations).....	38,256,383	43,398,000	44,503,000
Financing:			
Unobligated balance no longer available.....	1,343,617	535,000	3,925,000
Limitation.....	39,600,000	42,000,000	48,428,000
Proposed increase in limitation due to increased program volume.....		1,933,000	

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$434,599	\$610,985	\$610,985	\$610,985
Selected resources at start of year (—).....	-434,599	-434,599	-610,985	-610,985
Adjustment of prior year costs and selected resources reported at start of year.....		480,952		
Obligations incurred for costs of other years, net.....		657,338		

Object Classification

	1959 actual	1960 estimate	1961 estimate
COMMODITY CREDIT CORPORATION			
Total number of permanent positions.....	5,067	5,535	5,229
Full-time equivalent of all other positions.....	14	341	341
Average number of all employees.....	4,435	5,386	5,312
Number of employees at end of year.....	4,522	4,702	4,629
Average GS grade and salary.....	6.1 \$5,338	5.9 \$5,315	6.0 \$5,374
01 Personal services:			
Permanent positions.....	\$22,587,574	\$25,320,032	\$25,089,123
Positions other than permanent.....	40,620	1,129,835	1,129,835
Other personal services.....	769,941	773,221	689,442
Total personal services.....	23,398,135	27,223,088	26,908,400
02 Travel.....	871,730	1,071,000	1,128,000
03 Transportation of things.....	163,526	175,000	175,000
04 Communication services.....	991,001	919,000	921,000
05 Rents and utility services.....	4,297,392	5,375,000	5,375,000
06 Printing and reproduction.....	1,062,104	1,104,000	1,104,000
07 Other contractual services.....	571,184	434,700	760,700
Services performed by other agencies.....	4,560,200	4,878,300	4,944,300
08 Supplies and materials.....	901,420	513,000	510,000
11 Grants, subsidies, and contributions.....	1,371,168	1,553,000	1,532,000
13 Refunds, awards, and indemnities.....	33,360	74,000	74,000
15 Taxes and assessments.....	35,163	77,912	70,600
Total, Commodity Credit Corporation.....	38,256,383	43,398,000	43,503,000
ALLOCATION TO INTERNATIONAL CO-OPERATION ADMINISTRATION			
Total number of permanent positions.....			149
Average number of all employees.....			83
Number of employees at end of year.....			83
Average GS grade and salary.....			8.5 \$6,318
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158): Foreign Service Reserve.....			4.2 \$9,524
Average salary of ungraded positions.....			\$2,580
01 Personal services:			
Permanent positions.....			\$427,000
Other personal services.....			63,700
Total personal services.....			490,700
02 Travel.....			205,900
03 Transportation of things.....			87,300
04 Communication services.....			5,800
05 Rents and utility services.....			63,400
06 Printing and reproduction.....			2,500
07 Other contractual services.....			42,300
State support.....			67,900
08 Supplies and materials.....			13,700
11 Grants, subsidies, and contributions.....			20,500
Total, International Cooperation Administration.....			1,000,000
Total obligations.....	38,256,383	43,398,000	44,503,000

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency, Agricultural Trade Development and Assistance Act of 1954

[All amounts stated in U.S. dollar equivalents]

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Audit and end-use checks on food commodities donated abroad (total obligations).....		\$100,000	
Financing:			
Authorization to expend foreign currency receipts (7 U.S.C. 1704).....		100,000	

Under section 416 of the Agricultural Act of 1949, as amended (title III of the Agricultural Trade Development and Assistance Act of 1954) food commodities are donated abroad through voluntary charitable agencies. End use checks and audits are being made to determine how effectively and appropriately donated commodities are distributed and utilized.

Object Classification

	1959 actual	1960 estimate	1961 estimate
ALLOCATION TO INTERNATIONAL COOPERATION ADMINISTRATION			
Total number of permanent positions.....		167	
Average number of all employees.....		48	
Number of employees at end of year.....		65	
Average salary of ungraded positions.....		\$1,113	
01 Personal Services: Permanent positions.....		\$54,000	
02 Travel.....		15,000	
05 Rents and utility services.....		18,000	
07 Other contractual services.....		8,000	
08 Supplies and materials.....		5,000	
Total obligations.....		100,000	

Analysis of Expenditures

Obligated balance start of year.....			\$5,000
Obligations incurred during the year.....		\$100,000	
Obligated balance end of year.....		-5,000	
Expenditures.....		95,000	5,000

Status of Unfunded Allocations

Allocations.....		\$100,000	
Transfer into agency account.....		100,000	

Proposed for later transmission:

Under existing legislation, 1960.—On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently indicate a need for additional borrowing authority late in 1960. In the event the program and financing develop as estimated, a supplemental appropriation is anticipated in the amount of \$675 million, of which \$575 million is to partially restore the Corporation's capital impairment as of June 30, 1959, and \$100 million is to restore the unrecovered realized losses of June 30, 1958. These amounts are reflected in the Commodity Credit Corporation fund schedules.

CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year [1960] 1961 for such corporation or agency, except as hereinafter provided: (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

FEDERAL CROP INSURANCE CORPORATION

OPERATING AND ADMINISTRATIVE EXPENSES

For operating and administrative expenses, \$6,376,700. (7 U.S.C. 1501-1519; 31 U.S.C. 841, 846-852, 866-868c, 869; 73 Stat. 278; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$6,376,700 Estimate 1961, \$6,376,700

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Underwriting and actuarial analysis.....	\$845,083	\$1,018,000	\$1,053,000
2. Contract sales and servicing.....	4,982,073	4,606,700	4,438,700
3. Crop inspections and loss adjustments.....	550,661	752,000	885,000
Total program costs ¹	6,377,817	6,376,700	6,376,700
4. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (-).....	-1,117		
Total program (obligations).....	6,376,700	6,376,700	6,376,700
Financing:			
Appropriation (new obligational authority).....	6,376,700	6,376,700	6,376,700

¹ Includes capital outlay as follows: June 30, 1959, \$26,638; 1960, \$59,000; 1961, \$59,000.

This appropriation relates to a portion of the administrative and operating expenses of the Corporation. The budget for insurance operations and other costs financed from capital funds appears below.

4. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$11,883; 1959, \$10,766; 1960, \$10,766; 1961, \$10,766.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	549	582	625
Full-time equivalent of all other positions.....	213	216	198
Average number of all employees.....	697	760	803
Number of employees at end of year.....	960	1,072	1,134
Average GS grade and salary.....	6.0 \$5,359	6.2 \$5,419	6.2 \$5,415
01 Personal services:			
Permanent positions.....	\$2,653,580	\$2,994,559	\$3,298,886
Positions other than permanent.....	859,775	859,641	789,414
Other personal services.....	10,123	21,500	12,400
Total personal services.....	3,523,478	3,875,700	4,100,700
02 Travel.....	903,621	1,095,000	1,177,000
03 Transportation of things.....	10,335	12,000	14,000
04 Communication services.....	228,763	242,000	245,000
05 Rents and utility services.....	116,451	125,000	125,000
06 Printing and reproduction.....	58,824	82,000	87,000
07 Other contractual services.....	33,472	39,500	74,500
Agents' commissions.....	1,155,021	487,000	116,000
Services performed by other agencies.....	72,444	70,500	70,500
08 Supplies and materials.....	51,607	60,000	62,000
09 Equipment.....	24,955	60,000	60,000
11 Grants, subsidies, and contributions.....	170,637	196,000	215,000
13 Refunds, awards, and indemnities.....	6,015	10,000	10,000
15 Taxes and assessments.....	21,077	22,000	20,000
Total obligations.....	6,376,700	6,376,700	6,376,700

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed **[\$2,330,000]** \$2,830,000 of administrative and operating expenses may be paid from premium income. (7 U.S.C. 1516(a); Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Indemnities, by crop:			
Barley.....	\$120,623	\$585,000	\$1,080,000
Beans.....	41,870	129,000	189,000
Citrus.....	39,322	270,000	374,000
Corn.....	1,163,860	1,525,000	3,526,000
Cotton.....	186,804	648,000	1,012,000
Flax.....	184,861	665,000	450,000
Grain sorghum.....		1,000	14,000

Program and Financing—Continued

	1959 actual	1960 estimate	1961 estimate
Program by activities—Continued			
Indemnities, by crop—Continued			
Combined crop.....	\$747,770	\$1,841,000	\$432,000
Oats.....		82,000	337,000
Peaches.....	37,514	54,000	46,000
Rice.....			13,000
Rye.....			6,000
Soybeans.....	180,360	537,000	1,102,000
Tobacco.....	310,825	546,000	1,800,000
Wheat.....	1,491,025	6,134,000	12,118,000
Total indemnities.....	4,504,834	13,017,000	22,499,000
Inspection and adjustment costs.....	485,660	900,000	1,000,000
Administrative expenses.....	462,451	2,330,000	2,830,000
Other expense.....	249,107	262,000	320,000
Adjustment of prior year expense.....	-962,232		
Total program (costs—obligations).....	4,739,820	16,509,000	26,649,000
Financing:			
Amounts becoming available:			
Insurance premiums, by crop:			
Barley.....	311,347	643,000	1,200,000
Beans.....	130,451	131,000	210,000
Citrus.....	264,522	302,000	416,000
Corn.....	2,069,253	3,330,000	3,918,000
Cotton.....	755,891	1,278,000	1,125,000
Flax.....	409,908	493,000	500,000
Grain sorghum.....		7,000	15,000
Combined crop.....	2,055,016	1,323,000	480,000
Oats.....		83,000	375,000
Peaches.....	48,415	49,000	51,000
Rice.....			14,000
Rye.....			7,000
Soybeans.....	500,264	941,000	1,225,000
Tobacco.....	1,649,942	1,734,000	2,000,000
Wheat.....	9,432,132	8,881,000	13,464,000
Total premiums.....	17,627,141	19,195,000	25,000,000
Interest and other income.....	80,279	100,000	100,000
Prior year adjustment.....	-12,268		
Total amounts becoming available.....	17,695,152	19,295,000	25,100,000
Unobligated balance brought forward.....	25,755,020	38,710,352	41,496,352
Total amounts available.....	43,450,172	58,005,352	66,596,352
Unobligated balance carried forward.....	-38,710,352	-41,496,352	-39,947,352
Financing applied to program.....	4,739,820	16,509,000	26,649,000

Purpose and financial organization.—The Federal Crop Insurance Corporation, a wholly owned Government corporation, was created on February 16, 1938 (7 U.S.C. 1501-1519), to carry out the provisions of the Federal Crop Insurance Act. The purpose of this act is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for the research and experience helpful in devising and establishing such insurance. The Corporation provides all-risk insurance protection to farmers against loss from unavoidable causes. Insurance programs, since 1948, have been conducted on a limited basis in selected counties and on selected crops to obtain adequate actuarial data for the gradual expansion of the program to a national basis.

Capital stock of \$100 million is authorized to be subscribed by the United States. As of June 30, 1959, the Secretary of the Treasury held receipts for \$40 million of the authorized stock, leaving \$60 million unissued.

Funds from the issuance of capital stock provide working capital for the Corporation. Receipts which are for deposit to this fund come mainly from premiums for insurance protection afforded farmers on their investment in the production of insured crops. The principal payments from this fund are for indemnities to insured farmers who suffer crop losses arising from causes against which crop insurance provides protection, the direct cost of adjusting losses, and part of the administrative and operating expenses. The annual appropriation for the major portion of the administrative and operating expenses of the Corporation is presented earlier in the budget.

Budget program.—The Corporation plans to continue its policy of gradually expanding the program to additional crops and counties. For the 1960 crop year (fiscal year 1961) insurance will be added in 18 new counties and on

54 insurable crops. The following table indicates the scope of the insurance program planned for 1959, 1960, and 1961. Amounts in the 1959 column are actual and pertain to the 1958 crop year. The 1960 column pertains to the 1959 crop year and reflects the current favorable condition of the 1959 insured crops. Indemnities shown in the 1961 column, covering the 1960 crop year, are estimated at 90% of the premium.

	1959 fiscal year (1958 crop year) actual	1960 fiscal year (1959 crop year) estimate	1961 fiscal year (1960 crop year) estimate
Number of States.....	38	38	38
Number of counties.....	830	847	865
Estimated insurance outstanding, beginning of fiscal year..... thousands.....	\$241,617	\$278,000	\$350,000
Number of crops insured.....	324,435	339,403	390,000
Premiums..... thousands.....	\$17,627	\$19,195	\$25,000
Indemnities..... do.....	\$4,505	\$13,017	\$22,499
Loss ratio.....	.26	.68	.90

Financing.—The deficit at June 30, 1959, will be more than offset by the income from operations estimated for 1960 (1959 crop year). Income from operations for the past several years will provide adequate operating funds for 1961, and therefore, no additional capital funds are requested. The increase in the authority to pay operating and administrative expenses from premium income, proposed for 1961, will cover the increased cost of servicing the additional crops insured, new counties, and insurable crops budgeted for the 1961 crop year. Legislation was proposed to the 1st session of the 86th Congress to permit the inclusion of administrative expenses in the determination of appropriate premium rates for crop insurance.

Operating results and financial condition.—Preliminary estimates for the 1959 crop year (1960 fiscal year) show premiums of \$19.2 million exceeding indemnities of \$13 million by \$6.2 million. The favorable experience anticipated for crop year 1959 will make the third successive year in which premiums have exceeded indemnities, and the sixth such year during the 12-year period from 1948 to 1959. For this 12-year period premiums of \$227.3 million exceed indemnities of \$219.1 million by \$8.2 million.

The following table summarizes the insurance operations by commodities for 1959, 1960, and 1961.

NET INCOME OR LOSS (—) ON INSURANCE OPERATIONS, BY COMMODITIES

[Fiscal years ending June 30, 1959, 1960, and 1961]

	1959 actual (1958 crop year)	1960 estimate (1959 crop year)	1961 estimate (1960 crop year)
Barley.....	\$190,724	\$58,000	\$120,000
Beans.....	88,581	2,000	21,000
Citrus.....	225,200	32,000	42,000
Combined crop.....	1,307,246	—518,000	48,000
Corn.....	905,393	1,805,000	392,000
Cotton.....	569,087	630,000	113,000
Flax.....	225,047	—172,000	50,000
Grain sorghum.....	—	6,000	1,000
Oats.....	—	1,000	38,000
Peaches.....	10,901	—5,000	5,000
Rice.....	—	—	1,000
Rye.....	—	—	1,000
Soybeans.....	319,904	404,000	123,000
Tobacco.....	1,339,117	1,188,000	200,000
Wheat.....	7,941,107	2,747,000	1,346,000
Premium surplus.....	13,122,307	6,178,000	2,501,000
Inspection and adjustment costs (—).....	—485,660	—900,000	—1,000,000
Administrative expenses chargeable to premium income (—).....	—462,451	—2,330,000	—2,830,000
Other income or expense, net (—).....	781,136	—162,000	—220,000
Net income or loss (—).....	12,955,332	2,786,000	—1,549,000

SUMMARY OF INSURANCE OPERATIONS AND ADMINISTRATIVE EXPENSES

Net income or loss (—).....	\$12,955,332	\$2,786,000	—\$1,549,000
Funds appropriated for administrative expenses.....	6,376,700	6,376,700	6,376,700
Total net income or loss (—).....	6,578,632	—3,590,700	—7,925,700

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Indemnities.....	\$4,504,834	\$13,017,000	\$22,499,000
Inspection and adjustment costs.....	485,660	900,000	1,000,000
Administrative expense charged to program operations.....	462,451	2,330,000	2,830,000
Adjustment of prior year transactions.....	12,268	—	—
Chargeoff of premiums and other receivables.....	597,103	100,000	100,000
Total gross expenditures.....	6,062,316	16,347,000	26,429,000
Receipts from operations (funds provided):			
Insurance premiums.....	17,627,141	19,195,000	25,000,000
Interest on premium notes.....	79,714	100,000	100,000
Other income.....	565	—	—
Adjustment of prior year transactions.....	131,882	—	—
Decrease in selected working capital.....	2,770,714	3,893,811	320,000
Total receipts from operations.....	20,610,016	23,188,811	25,420,000
Budget expenditures.....	—14,547,700	—6,841,811	1,009,000

Revenue, Expense, and Retained Earnings

Income.....	\$17,707,420	\$19,295,000	\$25,100,000
Expense.....	4,752,088	16,509,000	26,649,000
Net income or loss (—) for the year.....	12,955,332	2,786,000	—1,549,000
Retained earnings or deficit (—), begin- ning of year.....	—14,244,980	—1,289,648	1,496,352
Retained earnings or deficit (—), end of year.....	—1,289,648	1,496,352	—52,648

Financial Condition

Assets:			
Cash with Treasury.....	\$41,184,589	\$48,026,400	\$47,017,400
Accounts receivable, net.....	4,399,907	5,446,411	5,406,411
Total assets.....	45,584,496	53,472,811	52,423,811
Liabilities:			
Current.....	6,874,144	11,976,459	12,476,459
Government investment:			
Non-interest-bearing capital.....	40,000,000	40,000,000	40,000,000
Retained earnings or deficit (—).....	—1,289,648	1,496,352	—52,648
Total Government investment.....	38,710,352	41,496,352	39,947,352

NOTE.—Excludes contingent liabilities representing estimated insurance coverage on 1959, 1960, and 1961 crops in the following amounts: June 30, 1959, \$278,000,000; 1960, \$350,000,000; and 1961, \$370,000,000.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury.....	\$26,636,889	\$41,184,589	\$48,026,400	\$47,017,400
Obligated balance, net:				
Current liabilities.....	5,977,562	6,874,144	11,976,459	12,476,459
Accounts receivable, net (—).....	—5,095,693	—4,399,907	—5,446,411	—5,406,411
Total obligated bal- ance.....	881,869	2,474,237	6,530,048	7,070,048
Unobligated balance.....	25,755,020	38,710,352	41,496,352	39,947,352

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees.....	72	128	142
Number of employees at end of year.....	182	200	200
01 Personal services: Positions other than permanent.....	\$293,623	\$524,000	\$583,000
02 Travel.....	185,287	363,000	402,000
07 Other contractual services: Agents' commissions.....	462,451	2,330,000	2,830,000
13 Refunds, awards, and indemnities.....	4,504,834	13,017,000	22,499,000
15 Taxes and assessments.....	6,750	13,000	15,000
Undistributed.....	—713,125	262,000	320,000
Total obligations.....	4,739,820	16,509,000	26,649,000

FEDERAL CROP INSURANCE CORPORATION—Con.**Intragovernmental funds:****ADVANCES AND REIMBURSEMENTS****Program and Financing**

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Underwriting and actuarial analysis.....	\$90	\$200	-----
2. Contract sales and servicing.....	3,179	1,800	-----
3. Crop inspections and loss adjustments.....	82	500	-----
Total program (costs—obligations).....	3,351	2,500	-----
Financing:			
Advances and reimbursements from—			
Other accounts.....	2,870	1,000	-----
Non-Federal sources (40 U.S.C. 481(c)).....	481	1,500	-----
Total financing.....	3,351	2,500	-----

Object Classification

Total number of permanent positions.....	1	-----	-----
Number of employees at end of year.....	0	-----	-----
01 Personal services:			
Permanent positions.....	\$2,623	-----	-----
Positions other than permanent.....	78	-----	-----
Total personal services.....	2,701	-----	-----
06 Printing and reproduction.....	127	\$1,000	-----
09 Equipment.....	357	1,500	-----
11 Grants, subsidies, and contributions.....	164	-----	-----
15 Taxes and assessments.....	2	-----	-----
Total obligations.....	3,351	2,500	-----

RURAL ELECTRIFICATION ADMINISTRATION**Current authorizations:**

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, **[\$136,000,000]** \$110,000,000; and rural telephone program, **[\$79,000,000]** and additional amounts, not to exceed \$25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1960 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program **[\$80,000,000]**. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Rural electrification.....	\$211,717,336	\$225,000,000	\$240,000,000
2. Rural telephone.....	93,269,473	100,000,000	105,000,000
Total program costs.....	304,986,809	325,000,000	345,000,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)	—28,771,709	-----	—44,000,000
Obligations incurred for costs of other years, net.....	-----	25,000,000	-----
Total program (obligations) (object class 16).....	276,215,100	350,000,000	301,000,000
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts).....	—67,628,340	—210,613,053	—108,113,053
Recovery of prior obligations.....	—9,699,813	—7,500,000	—3,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts).....	210,613,053	108,113,053	113,053
Authorization to expend from public debt receipts (new obligational authority).....	409,500,000	240,000,000	190,000,000

The Administration conducts two major programs: (a) the rural electrification program to provide electric service to farms and other rural establishments; and (b) the rural telephone program to furnish and improve telephone service in rural areas. Funds for making loans are borrowed from the Secretary of the Treasury.

1. *Rural electrification.*—This program is financed through loans which bear 2% interest and must be repaid within a period not to exceed 35 years. Loans are also made for shorter periods at 2% interest to electrification borrowers to be reloaned to their consumers for wiring and for the installation of electrical and plumbing appliances and equipment.

When the rural electrification program was initiated in 1935, less than 11% of all farms had electric service. On June 30, 1959, about 96% of the farms were electrified. The major need for loan funds continues to be for system improvements and the generation of power to satisfy the steadily increasing requirements of consumers.

STATUS OF THE ELECTRIFICATION PROGRAM**Program Financing**

	1959 actual	1960 estimate	1961 estimate
Loan funds available:			
New loan authorization (including reserves of \$25,000,000 for each of the years 1959 and 1960).....	\$342,000,000	\$161,000,000	\$110,000,000
Carryover from prior year.....	63,350,636	210,589,749	108,089,749
Rescissions of prior loans.....	7,531,213	6,500,000	2,000,000
Total loan funds available.....	412,881,849	378,089,749	220,089,749
Less—			
Loans approved.....	177,292,100	245,000,000	220,000,000
Reserves not used.....	25,000,000	25,000,000	-----
Balance to next year.....	210,589,749	108,089,749	89,749

Program Statistics

Cumulative net loans.....	\$3,942,338,539	\$4,180,838,539	\$4,398,838,539
Cumulative funds advanced.....	\$3,358,263,066	\$3,583,263,066	\$3,823,263,066
Unadvanced funds, end of year.....	\$584,075,473	\$597,575,473	\$575,575,473
Cumulative principal repaid.....	\$774,494,054	\$878,844,054	\$988,419,054
Cumulative interest paid.....	\$372,997,314	\$425,937,314	\$486,137,314
Cumulative miles energized.....	1,437,073	1,457,073	1,477,073
Cumulative consumers served.....	4,653,502	4,783,502	4,913,502
Number of borrowers.....	1,083	1,084	1,084

2. *Rural telephone.*—Loans are made for the purpose of financing the improvement, expansion, construction, acquisition, and operation of the telephone lines and facilities or systems to furnish and improve telephone service in rural areas. The loans bear 2% interest and must be repaid within a period not to exceed 35 years.

In 1950, when the telephone program started, the Census of Agriculture showed 38.2% of all farms with telephone service, fewer in both number and percentage than in 1920. Approximately 65% of the farms now have telephone service. Cumulative Rural Electrification Administration loans through June 30, 1959, will eventually provide initial or improved service to an estimated 1,191,324 rural subscribers.

STATUS OF THE TELEPHONE PROGRAM**Program Financing**

	1959 actual	1960 estimate	1961 estimate
Loan funds available:			
New loan authorization (including reserves of \$25,000,000 for each of the years 1959 and 1960).....	\$92,500,000	\$104,000,000	\$80,000,000
Carryover from prior year.....	4,277,704	23,304	23,304
Rescissions of prior loans.....	2,168,600	1,000,000	1,000,000
Total loan funds available.....	98,946,304	105,023,304	81,023,304
Less loans approved.....	98,923,000	105,000,000	81,000,000
Balance to next year.....	23,304	23,304	23,304

Program Statistics

	1959 actual	1960 estimate	1961 estimate
Cumulative net loans.....	\$575,213,415	\$679,213,415	\$759,213,415
Cumulative funds advanced.....	\$402,878,138	\$502,878,138	\$607,878,138
Unadvanced funds, end of year.....	\$172,335,277	\$176,335,277	\$151,335,277
Cumulative principal repaid.....	\$13,132,383	\$19,367,883	\$27,312,383
Cumulative interest paid.....	\$9,145,846	\$15,135,846	\$23,860,846
Route miles of line constructed or improved, cumulative.....	182,893	230,893	278,893
Subscribers, new and improved service, cumulative (estimated).....	630,000	838,000	1,046,000
Number of borrowers.....	665	735	805

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Undisbursed loan obligations.....	\$794,882,271	\$756,410,749	\$773,910,749	\$726,910,749
Selected resources at start of year (—).....	—794,882,271	—794,882,271	—756,410,749	—773,910,749
Adjustment due to recovery of prior obligations.....		9,699,813	7,500,000	3,000,000
Costs financed from obligations of other years, net (—).....		—28,771,709		—44,000,000
Obligations incurred for costs of other years, net.....			25,000,000	

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
For the fiscal year:			
Lending operations:			
Interest income.....	\$57,466,498	\$61,613,700	\$66,232,600
Expense:			
Interest expense (statutory rates) ¹	56,068,034	60,061,500	64,493,500
Provision for possible losses on loans.....	926,652	988,000	1,044,000
Total expense.....	56,994,686	61,049,500	65,537,500
Net difference ¹	471,812	564,200	695,100
Administrative expenses (provided by annual appropriations): Salaries and expenses.....	9,539,060	9,632,000	9,632,000
Cumulative to end of fiscal year:			
Lending operations:			
Interest income.....	528,407,520	590,021,220	656,253,820
Expense:			
Interest expense (statutory rates) ¹	469,803,131	529,864,631	594,358,131
Provision for possible losses on loans.....	9,090,784	10,078,784	11,122,784
Losses on foreclosed loans.....	44,478	44,478	44,478
Total expense.....	478,938,393	539,987,893	605,525,393
Net difference ¹	49,469,127	50,033,327	50,728,427
Administrative expenses (provided by annual appropriations): Salaries and expenses.....	125,333,910	134,965,910	144,597,910

¹ Does not take into consideration the interest costs incurred by Treasury in excess of the amount received from Rural Electrification Administration for funds made available to finance Rural Electrification Administration lending programs.

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Loans and interest receivable, net.....	\$3,110,643,867	\$3,326,754,500	\$3,550,498,100
Cash on hand.....	244,884	250,000	250,000
Cash on deposit with Treasury.....	5,280,198	5,387,377	4,344,577
Travel advances to employees and miscellaneous receivables.....	90,478	100,000	100,000
Total assets.....	3,116,259,427	3,332,491,877	3,555,192,677
Liabilities:			
Current.....	833,106	890,000	629,000
Government investment:			
Borrowings from Treasury.....	2,923,323,444	3,138,934,800	3,361,201,500
Appropriated administrative funds, net.....	125,347,794	134,979,794	144,611,794
Appropriated loan funds, net.....	142,619,866	142,619,866	142,619,866
Net difference between income and expense.....	49,469,127	50,033,327	50,728,427
Administrative expenses (—).....	—125,333,910	—134,965,910	—144,597,910
Total Government investment.....	3,115,426,321	3,331,601,877	3,554,563,677

NOTE.—Undisbursed loan commitments outstanding are as follows: June 30, 1958, \$794,882,271; 1959, \$756,410,749; 1960, \$773,910,749; 1961, \$726,910,749.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706(a) of the

Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$9,632,000. (5 U.S.C. 511–512; 7 U.S.C. 901–924; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$9,632,000

Estimate 1961, \$9,632,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration of rural electrification program.....	\$4,743,190	\$4,770,700	\$4,770,700
2. Administration of rural telephone program.....	4,795,978	4,861,300	4,861,300
Total costs ¹	9,539,168	9,632,000	9,632,000
3. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—13,050		
Total program (obligations).....	9,526,118	9,632,000	9,632,000
Financing:			
1959 appropriation available in 1958.....	30,352		
Unobligated balance no longer available.....	44,830		
New obligational authority.....	9,601,300	9,632,000	9,632,000
New obligational authority:			
Appropriation.....	\$9,019,000	\$9,632,000	\$9,632,000
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52).....	582,300		
Appropriation (adjusted).....	9,601,300	9,632,000	9,632,000

¹ Includes capital outlay as follows: June 30, 1959, \$62,516; 1960, \$86,675; 1961, \$86,700.

The Administration makes loans for the extension and improvement of electric and telephone services in rural areas. Business management and technical help is furnished borrowers where needed to protect the Government's loan security and to assure that construction and operation of their systems conform to approved standards and are adequate to provide continuous and reliable service.

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$25,598	\$13,884	\$13,884	\$13,884
Selected resources at start of year (—).....	—25,598	—13,884	—13,884	—13,884
Adjustment of prior year costs and selected resources reported at start of year.....		—1,336		
Costs financed from obligations of other years, net (—).....		—13,050		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	1,067	1,062	1,062
Full-time equivalent of all other positions.....	3	3	3
Average number of all employees.....	1,018	1,001	994
Number of employees at end of year.....	1,000	981	974
Average GS grade and salary.....	9.2 \$7,395	9.2 \$7,420	9.2 \$7,474
01 Personal services:			
Permanent positions.....	\$7,523,765	\$7,452,520	\$7,466,530
Positions other than permanent.....	40,718	45,000	45,000
Other personal services.....	32,174	62,980	34,490
Total personal services.....	7,596,657	7,560,500	7,546,020
02 Travel.....	1,018,609	1,056,000	1,056,000
03 Transportation of things.....	19,200	27,000	27,000
04 Communication services.....	111,507	120,000	120,000
05 Rents and utility services.....	12,603	12,500	12,500
06 Printing and reproduction.....	95,013	98,000	98,000
07 Other contractual services.....	41,442	44,000	98,480
Services performed by other agencies.....	42,040	88,300	48,300
08 Supplies and materials.....	35,928	43,000	43,000
09 Equipment.....	87,088	86,700	86,700
11 Grants, subsidies, and contributions.....	481,150	480,000	480,000
13 Refunds, awards, and indemnities.....	11,670	13,000	13,000
15 Taxes and assessments.....	3,563	3,000	3,000
1959 program obligated in 1958.....	—30,352		
Total obligations.....	9,526,118	9,632,000	9,632,000

RURAL ELECTRIFICATION ADMINISTRATION— Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing			
	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration of rural electrification program	\$1,358	\$1,965	
2. Administration of rural telephone program	1,400	2,035	
Total (costs—obligations)	2,758	4,000	
Financing:			
Advances and reimbursements from other accounts	2,758	4,000	
Object Classification			
Total number of permanent positions	1	1	
Average number of employees	1	1	
Number of employees at end of year	0	0	
Average GS grade and salary	4.8 \$4,252	4.4 \$4,535	
01 Personal services: Permanent positions	\$2,583	\$3,740	
11 Grants, subsidies, and contributions	175	260	
Total obligations	2,758	4,000	

FARMERS HOME ADMINISTRATION

Current authorizations:

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1000-1031); the Farmers Home Administration Act of 1946 (7 U.S.C. 1001, note; 31 U.S.C. 82h; 12 U.S.C. 371; 35 D.C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U.S.C. 436-439); the Act of August 28, 1937, as amended (16 U.S.C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U.S.C. 590y, z-1 and z-10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U.S.C. 1033-1039), as follows:

LOAN AUTHORIZATIONS

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities, except that such advances under title V of the Housing Act of 1949, as amended, shall be made from funds obtained under section 511 of that Act, as amended): Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, [\$24,000,000] \$20,000,000, of which not to exceed \$2,500,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public lands; title II of the Bankhead-Jones Farm Tenant Act, as amended, [\$180,000,000] \$154,000,000; the Act of August 28, 1937, as amended, [\$2,000,000] \$3,000,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952: *Provided further*, That an additional amount, not to exceed \$20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1960 under the then existing conditions for the expeditious and orderly conduct of the loan programs under the Bankhead-Jones

Farm Tenant Act, as amended, not to exceed \$5,000,000 of which shall be available for loans under title I and section 43 of title IV of such Act, as amended]. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Farm ownership loans	\$28,079,340	\$24,300,000	\$20,249,000
2. Farm operating loans	187,072,571	180,800,000	154,400,000
3. Soil and water conservation loans	3,340,447	3,485,000	3,000,000
4. Farm housing loans	60,552,257	42,900,000	25,700,000
Total program costs	279,044,615	251,485,000	203,349,000
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		—5,485,000	—1,349,000
Obligations incurred for costs of other years, net	2,606,416		
Total program (obligations) (object class 16)	281,651,031	246,000,000	202,000,000
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts)	—397,459,316	—337,462,128	—297,462,128
Recovery of prior year obligations	—677,278		
Unobligated balance carried forward (authorization to expend from public debt receipts)	337,462,128	297,462,128	272,462,128
Unobligated balance no longer available	523,435		
Authorization to expend from public debt receipts (new obligational authority)	221,500,000	206,000,000	177,000,000

The Administration makes and insures loans to farmers unable to obtain credit from other sources at reasonable rates.

The total borrowing authorization requested for loans amounts to \$177 million, a reduction of \$29 million below the regular authorization for 1960. It is proposed to borrow \$25 million in 1961 under existing authority for farm housing loans.

In addition to the direct loans, farm ownership and soil and water conservation loans advanced by private lenders will be insured within the annual statutory insurance authority of \$125 million for farm ownership and \$25 million for soil and water conservation loans. Contingent liabilities for these insured loans are reflected in the farm tenant-mortgage insurance fund schedules.

Repayments of loans and interest are now paid into miscellaneous receipts of the Treasury. Legislation has been introduced in the Congress to authorize the use of loan repayments for new loans.

1. *Farm ownership loans.*—Direct farm ownership loans are made to tenants, sharecroppers, farm laborers, owners of inadequate farms, and eligible veterans for the purchase or improvement of family-type or less than family-type farms. Loans may be made to farmowners for the refinancing of secured or unsecured indebtedness. These loans may be made up to the fair value of the farm (normal market value on less than family-type farms to owner-operators with off-farm income) at not to exceed 5% interest up to 40 years. Farm ownership loans made with funds advanced by private lenders are insured by the Government up to 90% of the value of the farm for 40 years at not more than 4% interest, plus 0.5% as an insurance premium, and 0.5% as an administrative expense charge. The Administration services these insured loans, makes collections, and pays the lender.

FARM OWNERSHIP LOANS

	1959 actual		1960 estimate		1961 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications	22,504		18,565		17,460	
Direct loans	2,004	\$28,999,938	1,715	\$24,000,000	1,410	\$20,000,000
Insured loans	2,448	35,733,594	935	12,000,000	935	12,000,000

2. *Farm operating loans.*—Direct loans are made for periods up to 7 years at 5% interest in amounts up to \$10,000, with a limitation of \$20,000 on the total principal indebtedness, to provide reasonable farm and home credit for the purchase of livestock, feed, seed, farm equipment and other farm necessities, including the refinancing of indebtedness to operators of not larger than family-type farms. In justifiable cases, loans may be made beyond 7 years but not beyond 10 years.

FARM OPERATING LOANS

	1959 actual	1960 estimate	1961 estimate
Number of applications.....	115,621	108,400	97,340
Number of loans.....	73,575	69,475	60,860
Amount.....	\$186,999,940	\$180,000,000	\$154,000,000

3. *Soil and water conservation loans.*—Direct and insured loans are made to farmers and associations for the effective development and utilization of water supplies and for the improvement of farm land by soil and water conserving facilities and practices. Interest rates on these loans usually are set administratively at the same rates as farm ownership loans (5%) except that currently direct loans to associations are carrying a rate of one-half of 1% below loans to individuals. On each insured loan, at least 0.5% as an insurance premium and 0.5% as an administrative expense charge is retained by the Government. Loans are made for periods up to 20 years for individuals and 40 years for associations.

SOIL AND WATER CONSERVATION LOANS

	1959 actual		1960 estimate		1961 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications..	1,950		2,040		2,000	
Direct loans:						
To individuals.....	647	\$2,730,037	215	\$900,000	380	\$1,600,000
To groups.....	36	2,246,650	20	1,100,000	30	1,400,000
Insured loans:						
To individuals.....	207	1,092,005	100	520,000	100	520,000
To groups.....	17	1,399,660	8	480,000	8	480,000

4. *Farm housing loans.*—Direct farm housing loans are made to farm owners for periods up to 33 years at 4% interest to construct, improve, alter, repair, or replace dwellings and other farm buildings. It is proposed to borrow \$25 million under continuing authority of \$450 million of which a balance of \$297,462,128 is estimated to be available at June 30, 1960.

FARM HOUSING LOANS

	1959 actual	1960 estimate	1961 estimate
Number of applications.....	17,111	14,000	12,000
Number of loans.....	8,186	5,670	3,570
Amount.....	\$60,674,466	\$40,000,000	\$25,000,000

COLLECTIONS OF PRINCIPAL AND INTEREST

	1959 actual	1960 estimate	1961 estimate
Direct farm ownership loans.....	\$28,693,146	\$30,220,000	\$31,370,000
Farm operating loans.....	193,001,669	191,332,400	202,346,000
Direct soil and water conservation loans.....	4,361,907	4,600,000	4,600,000
Farm housing loans.....	15,630,085	21,200,000	24,600,000
Total.....	241,686,807	247,352,400	262,916,000

5. *Relation of costs to obligations.*—The relationship of program costs to loan obligations is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year (undisbursed loan obligations).....	\$9,195,601	\$10,659,838	\$5,174,838	\$3,825,838
Selected resources at start of year (—).....	—9,195,601	—10,659,838	—5,174,838	—5,174,838
Adjustment of selected resources reported at start of year.....		1,142,179		
Costs financed from obligations of other years, net (—).....			—5,485,000	—1,349,000
Obligations incurred for costs of other years, net.....		2,606,416		

Revenue Expense and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
For the fiscal year:			
Lending operations:			
Income:			
Interest on loans.....	\$34,529,242	\$35,952,000	\$36,545,000
Other income.....	61,253	45,000	40,000
Total income.....	34,590,495	35,997,000	36,585,000
Expense:			
Interest on borrowings.....	6,888,050	8,093,000	9,185,000
Losses and writeoffs.....	13,755,133	14,282,000	11,262,000
Other expense.....	10,030		
Increase or decrease (—) in allowance for losses:			
Loans.....	1,183,995	519,542	—359,000
Interest and other.....	—4,334,137	—3,960,052	—2,747,510
Adjustment of prior year expense.....	—7,779		
Total expense.....	17,495,292	18,934,490	17,340,490
Net income from lending operations ¹	17,095,203	17,062,510	19,244,510
Administrative expenses (provided by annual appropriations).....	31,026,384	30,794,750	31,537,650
Cumulative to end of fiscal year:			
Lending operations: Income:			
Net results of prior year operations ¹	149,651,320	166,746,523	183,809,033
Net income for year ¹	17,095,203	17,062,510	19,244,510
Total lending operations ¹	166,746,523	183,809,033	203,053,543
Administrative expenses (provided by annual appropriations):			
Prior year expense.....	319,638,403	350,664,787	381,459,537
For the year.....	31,026,384	30,794,750	31,537,650
Total administrative expenses.....	350,664,787	381,459,537	412,997,187

¹ Does not take into consideration the interest costs incurred by Treasury on loan funds appropriated to Farmers Home Administration.

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash.....	\$21,532,070	\$15,229,820	\$13,938,181
Interest on loans and accounts receivable, net.....	24,127,411	23,987,535	23,533,295
Other current assets.....	190,720	190,720	190,720
Total current assets.....	45,850,201	39,408,075	37,662,196
Loans receivable.....	829,377,285	861,166,285	831,128,285
Allowance for losses on loans receivable (—).....	—83,466,633	—83,986,175	—83,627,175
Fixed property and equipment, net.....	2,511,729	2,511,729	2,511,729
Judgments and acquired security, net.....	1,065,475	1,295,403	1,529,153
Total assets.....	795,338,057	820,395,317	789,204,188
Liabilities:			
Current.....	3,021,257	3,266,007	3,222,907
Government investment:			
Borrowings from Treasury.....	292,889,155	300,689,155	249,439,155
Appropriations.....	496,736,346	527,481,096	559,876,207
Assets taken over from prior agencies, net.....	438,214,767	438,214,767	438,214,767
Results from lending operations, net.....	166,746,523	183,809,033	203,053,543
Administrative expenses (—).....	—350,664,787	—381,459,537	—412,997,187
Depreciation on automotive equipment (—).....	—13,411	—13,411	—13,411
Deposit of general and special fund revenue (—).....	—251,591,793	—251,591,793	—251,591,793
Total Government investment.....	792,316,800	817,129,310	785,981,281

NOTE.—Undisbursed loan commitments outstanding are as follows: June 30, 1958, \$9,195,601; 1959, \$11,027,338; 1960, \$5,642,338; 1961, \$4,153,338.

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers Home Administration, and other administrative expenses, [\$30,744,750] \$31,467,650, together with a transfer of not to exceed [\$1,000,000] \$1,100,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1005(b)), and section 10(c) of the Act of August 28, 1937, as amended. (7 U.S.C. 1040; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$30,744,750

Estimate 1961, \$31,467,650

FARMERS HOME ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Administration of direct and insured loan programs (total program costs) ¹	\$32,104,019	\$31,744,750	\$32,532,650
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	-68,015		
Total program (obligations).....	32,036,004	31,744,750	32,532,650
Financing:			
1959 appropriation available in 1958.....	41,747		
Advanced from the "Farm tenant-mortgage insurance fund".....	-975,000	-1,000,000	-1,065,000
Unobligated balance no longer available.....	86,749		
New obligational authority.....	31,189,500	30,744,750	31,467,650
New obligational authority:			
Appropriation.....	\$29,089,500	\$30,744,750	\$31,467,650
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52).....	2,100,000		
Appropriation (adjusted).....	31,189,500	30,744,750	31,467,650

¹ Includes capital outlay as follows: 1959, \$193,572; 1960, \$70,000; 1961, \$48,000.

1. These moneys are used to administer the loan programs of the Farmers Home Administration including reviewing applications, making and collecting loans, and providing technical assistance and guidance to borrowers, as described under Loan authorizations.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Inventories and items on order:				
Equipment not placed in use.....	\$24,575			
Stores.....	185,392	\$175,966	\$175,966	\$175,966
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	158,145	124,131	124,131	124,131
Total selected resources at end of year.....	368,112	300,097	300,097	300,097
Selected resources at start of year (—).....		-368,112	-300,097	-300,097
Costs financed from obligations of other years, net (—).....		-68,015		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	4,686	4,696	4,519
Full-time equivalent of all other positions.....	425	439	475
Average number of all employees.....	4,991	4,863	4,901
Number of employees at end of year.....	9,807	9,930	9,765
Average GS grade and salary.....	6.2 \$5,386	6.3 \$5,470	6.6 \$5,551
01 Personal services:			
Permanent positions.....	\$24,621,964	\$24,469,235	\$24,816,684
Positions other than permanent.....	637,476	666,620	802,916
Other personal services.....	189,243	279,145	186,900
Total personal services.....	25,448,683	25,415,000	25,806,500
02 Travel.....	2,833,376	2,708,000	2,757,000
03 Transportation of things.....	109,638	92,000	105,000
04 Communication services.....	534,876	555,000	562,000
05 Rents and utility services.....	890,736	875,000	880,900
06 Printing and reproduction.....	151,159	140,000	165,000
07 Other contractual services.....	217,313	254,000	488,000
Services performed by other agencies.....	23,277	22,000	22,000
08 Supplies and materials.....	175,296	65,000	75,000
09 Equipment.....	87,581	25,000	50,000
11 Grants, subsidies, and contributions.....	1,578,068	1,570,050	1,594,550
13 Refunds, awards, and indemnities.....		200	200
Awards for employee suggestions.....	20,355	17,500	20,000
15 Taxes and assessments.....	7,363	6,000	6,500
1959 program obligated in 1958.....	-41,747		
Total obligations.....	32,036,004	31,744,750	32,532,650

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
 "Mutual security—economic," funds appropriated to the President.
 "Watershed protection," Soil Conservation Service.

Public enterprise funds:

DISASTER LOANS, ETC., REVOLVING FUND

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Capital outlay (obligations):			
1. Loan commitments:			
(a) Production emergency loans.....	\$33,232,546	\$30,200,000	\$29,000,000
(b) Economic emergency loans.....	1,389,400	600,000	400,000
(c) Special livestock loans.....	2,672,980	1,200,000	750,000
(d) Special emergency loans.....	2,418,040		
(e) Other loans.....	55,027	50,000	50,000
2. Judgments and collateral acquired.....	30,859	25,125	35,000
Total, capital outlay.....	39,798,852	32,075,125	30,235,000
Operations (obligations):			
3. Administrative expenses.....	4,146,997	3,394,200	2,939,200
4. Other expense.....	54,844	220,295	249,313
Total, operations.....	4,201,841	3,614,495	3,188,513
Total program (obligations).....	44,000,693	35,689,620	33,423,513
Financing:			
Amounts becoming available: Revenue and receipts:			
Repayments on loans.....	70,882,808	41,000,000	27,460,000
Proceeds from sale of acquired chattels.....	22,417		
Payments on judgments.....	59,317	44,000	66,000
Interest revenue.....	2,557,008	1,761,842	1,499,200
Other revenue.....	681	1,800	1,800
Adjustment of prior year expense.....	105,045		
Total amounts becoming available.....	73,627,276	42,807,642	29,027,000
Unobligated balance brought forward.....	33,330,563	67,957,146	75,075,168
Total amounts available.....	111,957,839	110,764,788	104,102,168
Unobligated balance carried forward.....	-67,957,146	-75,075,168	-70,678,655
Financing applied to program.....	44,000,693	35,689,620	33,423,513

Purpose and financial organization.—This fund finances loans to farmers and stockmen in the event of disasters and other emergencies, in areas where agricultural credit is not readily available. The fund is also available within statutory limits for emergency assistance in furnishing feed and seed in areas suffering major disasters. The fund was created by the transfer of the assets of the Regional Agricultural Credit Corporation of Washington which was abolished.

Budget program—1. Loan commitments—(a) Production emergency loans.—Loans are made at 3% interest to farmers and stockmen suffering production disasters.

(b) Economic emergency loans.—Loans may be made at 3% interest in any economic disaster area declared by the President.

(c) Special livestock loans.—For 4 years after July 14, 1953, loans were authorized to be made at 5% interest to established livestock producers who had a reasonable chance of working out their difficulties with supplementary financing. Supplemental loans may be made for an additional 4 years after July 14, 1957, to individuals already indebted.

(d) Special emergency loans.—The authority to make special emergency loans up to a total of \$65 million expired on June 30, 1959.

(e) Other loans.—Where necessary to protect the Government's investment, obligations are incurred in connection with outstanding loans to provide for payment of such costs as taxes and insurance. When this is done, such advances are charged to the borrowers' accounts.

3. *Administrative expenses.*—The principal administrative expenses in each of the 3 years are related to the loan programs of the Farmers Home Administration. These expenses are estimated at \$3,200,000 in 1960 and \$2,800,000 in 1961. Administrative expenses of the Commodity Stabilization Service are estimated at \$165,000 in 1960 and \$110,000 in 1961, in connection with the final audit of the emergency feed program. Administrative expenses for the Office of the General Counsel for 1960 are estimated at \$29,200 in each of the years 1960 and 1961.

Financing the budget program.—No new budgetary authorization is required for 1961. A net loss of \$3 million is estimated on an accrual basis. Net expenditures of \$4.6 million are anticipated on a cash basis due primarily to estimated excess loan advances over loan repayments during the year.

During 1961, the program will be wholly financed by receipts from operations.

Operating results and financial condition.—Revenue for 1961, consisting principally of interest on loans, is estimated at \$1.5 million, compared to expense of \$4.5 million, resulting in an estimated loss of \$3 million. A net loss of \$3.1 million is estimated for 1960, and a net loss of \$1.4 million resulted in 1959. A change in the formula for determining valuation reserves on loans effective during 1959 reduced the loss for the year.

Loans receivable, after allowance for losses, are expected to amount to \$45.7 million on June 30, 1961, as compared with \$44.3 million at June 30, 1960, and \$53.8 million on June 30, 1959.

The Government investment at June 30, 1961, is expected to be \$117.1 million, consisting of \$205.9 million appropriated and donated, less a deficit of \$88.8 million.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans.....	\$39,471,450	\$32,809,470	\$30,200,000
Acquisitions in lieu of interest receivable:			
Collateral.....	2,245	4,000	5,000
Judgments taken.....	28,614	21,125	30,000
Expense.....	4,213,699	3,532,100	3,140,700
Increase in selected working capital.....			273,450
Total gross expenditures.....	43,716,008	36,366,695	33,649,150
Receipts from operations (funds provided):			
Loan program:			
Repayments on loans.....	70,882,808	41,000,000	27,460,000
Acquired security or collateral.....	22,417		
Payments on judgments.....	59,317	44,000	66,000
Revenue.....	2,557,689	1,763,642	1,501,000
Decrease in selected working capital.....	1,253,847	283,880	
Total receipts from operations.....	74,776,078	43,091,522	29,027,000
Budget expenditures.....	-31,060,070	-6,724,827	4,622,150

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Operating program:			
Revenue.....	\$2,557,689	\$1,763,642	\$1,501,000
Expense.....	4,000,639	4,889,984	4,503,888
Net operating loss (—).....	-1,442,950	-3,126,342	-3,002,888
Nonoperating income:			
Proceeds from disposition of collateral:			
Cash sales.....	22,417		
Exchanged for loans receivable.....	32,515	60,000	40,000
Total proceeds from disposition of collateral.....	54,932	60,000	40,000
Net book value of assets sold (—).....	-54,154	-60,000	-40,000
Net gain from disposition of collateral.....	778		
Miscellaneous nonoperating income.....	192		
Net nonoperating income.....	970		
Net loss (—) for the year.....	-1,441,980	-3,126,342	-3,002,888
Deficit (—), beginning of year.....	-81,237,746	-82,679,726	-85,806,068
Deficit (—), end of year.....	-82,679,726	-85,806,068	-88,808,956

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury.....	\$63,757,734	\$70,482,561	\$65,860,411
Accounts receivable, net.....	5,584,505	5,350,677	5,522,514
Loans receivable, net.....	53,831,283	44,343,556	45,699,856
Acquired security or collateral.....	48,141	22,141	17,141
Judgments, net.....	196,794	225,827	267,952
Total assets.....	123,418,457	120,424,562	117,367,874
Liabilities:			
Current.....	240,038	372,485	318,685
Government investment:			
Non-interest-bearing capital.....	205,858,145	205,858,145	205,858,145
Deficit (—).....	-82,679,726	-85,806,068	-88,808,956
Total Government investment.....	123,178,419	120,052,077	117,049,189

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury.....	\$32,697,664	\$63,757,734	\$70,482,561	\$65,860,411
Obligated balance, net:				
Current liabilities.....	477,205	240,038	372,485	318,685
Undisbursed loan commitments.....	848,511	1,145,055	385,585	385,585
Accounts receivable, net, and cash in transit (—).....	-6,958,615	-5,584,505	-5,350,677	-5,522,514
Total obligated balance.....	-5,632,899	-4,199,412	-4,592,607	-4,818,244
Unobligated balance.....	38,330,563	67,957,146	75,075,168	70,678,655

Object Classification

	1959 actual	1960 estimate	1961 estimate
FARMERS HOME ADMINISTRATION			
Total number of permanent positions.....	604	422	423
Full-time equivalent of all other positions.....	119	181	94
Average number of all employees.....	715	592	502
Number of employees at end of year.....	647	570	505
Average GS grade and salary.....	5.3 \$4,973	5.4 \$4,952	5.8 \$4,966
01 Personal services:			
Permanent positions.....	\$2,965,060	\$2,032,550	\$2,015,400
Positions other than permanent.....	498,941	759,000	380,090
Other personal services.....	17,457	22,450	14,510
Total personal services.....	3,481,458	2,814,000	2,410,000
02 Travel.....	277,197	227,500	229,000
06 Printing and reproduction.....	5,730	5,000	5,000
07 Other contractual services.....	10,187	9,500	28,500
Services performed by other agencies.....	64		
11 Grants, subsidies, and contributions.....	191,847	132,000	117,500
15 Taxes and assessments.....	10,856	12,000	10,000
16 Investments and loans.....	39,798,852	32,075,125	30,235,000
Undistributed charges.....	54,844	220,295	249,313
Total, Farmers Home Administration.....	43,831,025	35,495,420	33,284,313
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	18	13	12
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	18	13	12
Number of employees at end of year.....	8	6	5
Average GS grade and salary.....	6.2 \$5,408	6.1 \$5,422	6.1 \$5,439
01 Personal services:			
Permanent positions.....	\$129,738	\$101,830	\$99,515
Positions other than permanent.....	5,071	2,500	2,400
Other personal services.....	443	400	300
Total personal services.....	135,252	104,730	102,215
02 Travel.....	19,619	12,300	12,100
03 Transportation of things.....		100	100
04 Communication services.....	1,010	1,200	1,200
06 Printing and reproduction.....	314	1,900	1,900
07 Other contractual services.....	1,040	2,500	2,615
Advanced to—			
“Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture” (7 U.S.C. 1388).....		35,000	6,000
“Administrative expense, sec. 392, Agricultural Adjustment Act of 1938” (7 U.S.C. 1392).....	5,000	29,000	6,000
08 Supplies and materials.....	504	600	500
09 Equipment.....		100	
11 Grants, subsidies, and contributions.....	6,765	6,570	6,470
13 Refunds, awards, and indemnities.....	12	100	
15 Taxes and assessments.....	152	100	100
Total, allotment accounts.....	169,668	194,200	139,200
Total obligations.....	44,000,693	35,689,620	33,423,513

FARMERS HOME ADMINISTRATION—Continued**Public enterprise funds—Continued****DISASTER LOANS, ETC., REVOLVING FUND—Continued****Object Classification—Continued**

	1959 actual	1960 estimate	1961 estimate
Obligations are distributed as follows:			
Farmers Home Administration.....	\$43,831,025	\$35,495,420	\$33,284,313
Commodity Stabilization Service.....	143,444	165,000	110,000
Office of the General Counsel.....	26,224	29,200	29,200

FARM TENANT-MORTGAGE INSURANCE FUND**Program and Financing**

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Capital outlay (obligations):			
Loans made:			
For payment of delinquent installments.....	\$1,342,688	\$1,600,000	\$1,600,000
For other advances.....	61,704	148,000	100,000
From fund for later sale.....	3,232,680	1,000,000	1,000,000
Purchase of loans from lenders.....	28,372,962	7,200,000	13,000,000
Collateral acquired by default.....	15,816		
Total, capital outlay.....	33,075,850	9,948,000	15,700,000
Operations (obligations):			
Administrative expenses.....	975,000	1,000,000	1,065,000
Costs incident to acquired real estate.....	2,700	4,000	4,000
Writeoffs, interest on loans receivable.....	235	200	200
Interest on borrowings from Treasury.....	401,400	1,200,000	1,600,000
Total, operations.....	1,379,335	2,204,200	2,669,200
Total program (obligations).....	34,455,185	12,152,200	18,369,200
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts.....	26,735,000	2,700,000	7,630,000
Revenue and receipts:			
Repayments on advances and loans held.....	3,340,276	4,155,000	4,700,000
Sale of loans.....	1,639,587	2,800,000	2,800,000
Proceeds from sale of acquired real estate.....	114,084	120,000	143,000
Insurance premiums.....	2,039,146	2,200,000	2,200,000
Interest income.....	483,894	1,000,000	1,250,000
Fees and other income.....	55,849	52,000	43,000
Recovery of prior year obligations.....	129,482		
Total amounts becoming available.....	34,537,318	13,027,000	18,766,000
Unobligated balance brought forward.....	2,836,777	2,918,910	3,793,710
Total amounts available.....	37,374,095	15,945,910	22,559,710
Unobligated balance carried forward.....	-2,918,910	-3,793,710	-4,190,510
Financing applied to program.....	34,455,185	12,152,200	18,369,200

Purpose and financial organization.—This fund, authorized in the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005(a)), relates to insured farm ownership loans and soil and water conservation loans. The insurance endorsement on each loan includes an agreement by the Government to purchase the loan after a specified period at the holder's option. The initial fund of \$1 million is supplemented by charges collected from insured farm ownership and soil and water conservation loan borrowers, inspection and appraisal fees, and other charges. Receipts are available for administrative expenses and to cover losses. Public Law 85-748, approved August 25, 1958 (72 Stat. 840), authorized for the first time the making of loans from the fund to be sold individually or in blocks and insured. Not in excess of \$5 million may be borrowed from the Secretary of the Treasury to facilitate the blocking of such loans. Public Law 85-748 also changed the method of determining the interest paid the Secretary of the Treasury on borrowings to relate the charges to the current average market yields of outstanding marketable obligations of the United States.

Budget program.—Advances and purchases of loans are estimated at \$15.7 million in 1961, an increase of \$5.8 over 1960 and a decrease of \$17.3 below 1959. Included is \$1 million in 1960 and \$1 million in 1961 for making loans under the new statutory authority which will later be sold on an insured basis.

Financing.—In order to finance the various operations, it is estimated that it will be necessary to utilize the statutory authorization (7 U.S.C. 1005c) to borrow from the Treasury in the net amount of \$2,700,000 in 1960. Net borrowings from the Treasury of \$7,630,000 are anticipated in 1961.

Operating results and retained earnings.—Total income, consisting principally of insurance premiums, is estimated at \$3.5 million in 1961, an increase of about \$0.3 million from 1960.

The necessity to purchase loans is expected to result in outstanding loans receivable of \$45.4 million at June 30, 1961. Retained earnings, which are for absorption of any future losses, are estimated to be \$9.3 million at the end of 1961. These earnings, when added to the \$1 million appropriation and estimated borrowings of \$39.5 million from the Treasury, represent a \$49.8 million Government investment.

POSITION WITH RESPECT TO INSURANCE AUTHORITY

	1959 actual	1960 estimate	1961 estimate
Annual mortgage insurance authority.....	\$150,000,000	\$150,000,000	\$150,000,000
Charges against mortgage insurance authority during the year:			
Mortgages insured.....	32,286,178	9,525,000	9,500,000
Commitments to insure pending advances by lenders.....	7,320,845	3,475,000	3,500,000
Mortgages accepted for the account of the fund, net.....	415,927	350,000	300,000
Total charges against authority.....	40,022,950	13,350,000	13,300,000
Unused insurance authority.....	109,977,050	136,650,000	136,700,000

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Loans made:			
Payment of delinquent installments.....	\$1,342,693	\$1,600,000	\$1,600,000
Advances on behalf of borrowers.....	609	150,000	100,000
From fund for later sale.....	2,418,840	1,850,000	1,000,000
Purchase of loans from lenders.....	28,615,743	7,400,000	13,000,000
Acquired property.....	15,816		
Expense.....	1,379,349	2,204,200	2,669,200
Increase in selected working capital.....	132,712	269,800	462,800
Total gross expenditures.....	33,905,762	13,474,000	18,832,000
Receipts from operations (funds provided):			
Loan repayments:			
On advances and loans held.....	3,340,276	4,155,000	4,700,000
Sale of loans.....	1,639,587	2,800,000	2,800,000
Sale of acquired property.....	114,084	120,000	143,000
Revenue.....	2,578,889	3,252,000	3,493,000
Total receipts from operations.....	7,672,836	10,327,000	11,136,000
Budget expenditures.....	26,232,926	3,147,000	7,696,000

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Operating program:			
Revenue.....	\$2,578,889	\$3,252,000	\$3,493,000
Expense.....	1,413,967	2,244,200	2,709,200
Net income.....	1,164,922	1,007,800	783,800
Nonoperating income or loss (—):			
Proceeds from disposition of acquired property:			
Cash sales.....	114,084	120,000	143,000
Exchanged for loans receivable.....	72,858	140,000	150,000
Total proceeds from disposition of acquired property.....	186,942	260,000	293,000
Net book value of assets sold (—).....	-188,532	-258,000	-291,000
Net gain or loss (—) from disposition of acquired property.....	-1,590	2,000	2,000
Miscellaneous nonoperating income.....	253		
Net nonoperating income or loss (—).....	-1,337	2,000	2,000
Net income for the year.....	1,163,585	1,009,800	785,800
Retained earnings, beginning of year.....	6,297,000	7,460,585	8,470,385
Retained earnings, end of year.....	7,460,585	8,470,385	9,256,185

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury.....	\$1,615,876	\$1,168,876	\$1,102,876
Accounts receivable, net.....	2,515,311	2,785,111	3,247,911
Loans receivable, net.....	33,413,814	37,328,814	45,388,814
Judgments.....	684	684	684
Property acquired through foreclosure.....	140,534	112,534	71,534
Total assets.....	37,686,219	41,396,019	49,811,819
Liabilities:			
Current.....	5,634	5,634	5,634
Government investment:			
Interest-bearing capital:			
Start of year.....	2,485,000	29,220,000	31,920,000
Borrowings from Treasury during year, net.....	26,735,000	2,700,000	7,630,000
End of year.....	29,220,000	31,920,000	39,550,000
Non-interest-bearing capital.....	1,000,000	1,000,000	1,000,000
Retained earnings.....	7,460,585	8,470,385	9,256,185
Total Government investment.....	37,680,585	41,390,385	49,806,185

NOTE.—This statement excludes contingent liabilities for insured loans in principal amounts of \$168,716,410 at June 30, 1959; \$160,536,410 at June 30, 1960; and \$144,126,410 at June 30, 1961.

Status of Certain Fund Balances

	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash with Treasury.....	\$1,113,802	\$1,615,876	\$1,168,876	\$1,102,876
Obligated balance, net:				
Current liabilities.....	5,719	5,634	5,634	5,634
Undisbursed commitments to purchase loans.....	650,194	339,519	139,519	139,519
Undisbursed commitments to make loans from fund.....		863,840	13,840	13,840
Undisbursed commitments to pay recoverable loan costs.....	3,796	3,284	1,284	1,284
Accounts receivable, net, and cash in transit (—).....	—2,382,684	—2,515,311	—2,785,111	—3,247,911
Total obligated balance.....	—1,722,975	—1,303,034	—2,624,834	—3,087,634
Unobligated balance.....	2,836,777	2,918,910	3,793,710	4,190,510

Object Classification

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services.....	\$977,935	\$1,004,200	\$1,069,200
14 Interest.....	401,400	1,200,000	1,600,000
16 Investments and loans.....	33,075,850	9,948,000	15,700,000
Total obligations.....	34,455,185	12,152,200	18,369,200

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Administration of direct and insured loan programs (total costs—obligations).....	\$100,123	\$115,000	\$115,900
Financing:			
Advances and reimbursements from—			
Other accounts.....	89,290	105,000	105,900
Non-Federal sources (40 U.S.C. 481(c)).....	10,833	10,000	10,000
Total financing.....	100,123	115,000	115,900

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	15	15	14
Average number of all employees.....	15	17	16
Number of employees at end of year.....	15	15	14
Average GS grade and salary.....	4.8 \$4,774	4.9 \$4,870	5.0 \$4,982

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions.....	\$71,549	\$80,490	\$78,515
Other personal services.....	439	3,510	3,435
Total personal services.....	71,988	84,000	82,000
03 Transportation of things.....	1,630	2,000	2,000
04 Communication services.....	179	200	200
05 Rents and utility services.....	11,721	15,000	16,000
07 Other contractual services.....	762	800	1,800
09 Equipment.....	9,203	7,500	8,500
11 Grants, subsidies, and contributions.....	4,640	5,500	5,400
Total obligations.....	100,123	115,000	115,900

OFFICE OF THE GENERAL COUNSEL

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, **[\$3,162,025]** \$3,358,845. (5 U.S.C. 511–512, 518; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$3,162,025 Estimate 1961, \$3,358,845

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Agricultural credit and conservation.....	\$1,567,441	\$1,555,000	\$1,565,000
2. Commodity credit and production adjustment programs.....	826,373	808,000	813,500
3. Marketing and regulatory laws.....	543,751	535,025	714,645
4. Agricultural research and staff legal services.....	270,111	264,000	265,700
Total program costs ¹	3,207,676	3,162,025	3,358,845
5. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—15,844		
Total program (obligations).....	3,191,832	3,162,025	3,358,845
Financing:			
Unobligated balance no longer available.....	16,918		
New obligational authority.....	3,208,750	3,162,025	3,358,845
New obligational authority:			
Appropriation.....	\$2,968,000	\$3,162,025	\$3,358,845
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52).....	240,750		
Appropriation (adjusted).....	3,208,750	3,162,025	3,358,845

¹ Includes capital outlay as follows: June 30, 1959, \$23,468; 1960, \$21,000; 1961, \$24,000.

The Office serves as legal counsel for the Secretary of Agriculture and performs all legal work for the Department. It represents the Department in administrative proceedings for the promulgation of rules and regulations having the force and effect of law and in quasi-judicial hearings held in connection with the administration of Department programs. The Office also represents the Secretary in proceedings before the Interstate Commerce Commission dealing with rates and practices relating to the transportation of agricultural commodities and in appeals to the courts from the decisions of the Commission. It examines titles to lands to be acquired by the Department or accepted as security for loans, and disposes of claims arising out of the Department's activities.

Increases in 1961 are to meet increased legal workload connected with the administration of the Packers and Stockyards Act, marketing agreement and order programs, and other marketing and regulatory activities.

OFFICE OF THE GENERAL COUNSEL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$29,074	\$7,105	\$7,105	\$7,105
Selected resources at start of year (—).....	—29,074	—7,105	—7,105	—7,105
Adjustment of prior year costs and selected resources at start of year.....		6,125	—	—
Costs financed from obligations of other years, net (—).....		—15,844	—	—

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	408	389	414
Full-time equivalent of all other positions.....	4	4	4
Average number of all employees.....	394	385	403
Number of employees at end of year.....	395	396	407
Average GS grade and salary.....	8.2 \$6,920	8.3 \$7,017	8.3 \$7,114
01 Personal services:			
Permanent positions.....	\$2,744,100	\$2,700,375	\$2,855,545
Positions other than permanent.....	13,726	14,000	14,000
Other personal services.....	14,111	24,000	14,500
Total personal services.....	2,771,937	2,738,375	2,884,045
02 Travel.....	83,506	88,000	97,500
03 Transportation of things.....	5,510	5,500	5,500
04 Communication services.....	35,110	35,500	37,750
05 Rents and utility services.....	8,724	8,750	8,750
06 Printing and reproduction.....	19,149	19,000	21,550
07 Other contractual services.....	23,592	23,400	45,970
Services performed by other agencies.....	6,168	6,000	6,100
08 Supplies and materials.....	25,705	25,000	26,550
09 Equipment.....	35,396	34,500	37,500
11 Grants, subsidies, and contributions.....	175,676	175,700	185,330
13 Refunds, awards, and indemnities.....	580	1,500	1,500
15 Taxes and assessments.....	779	800	800
Total obligations.....	3,191,832	3,162,025	3,358,845

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments from other accounts are included in the schedule of the parent appropriations as follows:
 "Conservation reserve program," Commodity Stabilization Service.
 "Disaster loans, etc., revolving fund," Farmers Home Administration.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services to other accounts (total costs—obligations) (object class 09).....	\$293	\$500	\$500
Financing:			
Advances and reimbursements from non-Federal sources (5 U.S.C. 61(b) and 40 U.S.C. 481(c)).....	293	500	500

OFFICE OF THE SECRETARY

Current authorizations:

SALARIES AND EXPENSES

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies

and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, **[\$2,881,000] \$2,899,500: Provided,** That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U.S.C. 1001). (5 U.S.C. 511–517; secs. 511–512—establishing the Department of Agriculture, which was implemented by the Act of July 24, 1919 (5 U.S.C. 563–564)), apply to all appropriation items of the Department which are not based upon specific legislative authority either incorporated in the language of the item or cited immediately thereunder; 5 U.S.C. 520a, 542–1, 543b, 1001, 2131; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$2,881,000

Estimate 1961, \$2,899,500

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. General administration.....	\$617,294	\$621,215	\$624,200
2. Personnel administration and service.....	696,655	703,114	707,800
3. Budgetary and financial administration and service.....	660,728	677,025	681,400
4. General operations.....	593,946	606,686	611,600
5. Administrative management.....	92,740	95,545	96,200
6. Regulatory hearings and decisions.....	162,486	165,915	166,800
7. National Agricultural Advisory Commission.....	11,369	11,500	11,500
Total program costs ¹	2,835,218	2,881,000	2,899,500
8. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—4,776	—	—
Total program (obligations).....	2,830,442	2,881,000	2,899,500
Financing:			
Comparative transfers from (—) other accounts.....	—4,600	—	—
Unobligated balance no longer available.....	29,808	—	—
New obligational authority.....	2,855,650	2,881,000	2,899,500
New obligational authority:			
Appropriation.....	\$2,668,895	\$2,881,000	\$2,899,500
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52).....	186,755	—	—
Appropriation (adjusted).....	2,855,650	2,881,000	2,899,500

¹ Includes capital outlay as follows: June 30, 1959, \$14,408; 1960, \$7,300; 1961, \$7,300.

The Office provides overall planning, coordination, and administration of the Department's programs, and supplies certain services on a departmentwide basis.

2. *Personnel administration and service.*—Departmental policies and procedures are promulgated for the personnel management program. The operational phases of this program have been substantially delegated to the agencies. A systematic review is conducted to insure unification thereof and to measure its effectiveness in serving the agencies' personnel management requirements.

3. *Budgetary and financial administration and service.*—This covers the fields of departmental budgetary and financial management, internal audit and related activities; policies and procedures are promulgated, and programs and legislative proposals are evaluated for budgetary, financial, and related implications.

4. *General operations.*—These embrace departmental policies and procedures for real and personal property, and supply management. Administrative services are provided for the Office of the Secretary, and departmental service operations are furnished, including the Department's post office, telephone switchboard, telegraph office, and reproduction and supply services.

5. *Administrative management.*—This covers the areas of organization, paperwork activities (forms, reports, correspondence, and records maintenance and disposition), administrative issuances, and management improvement. Departmental policies and procedures are promulgated, improvement studies are undertaken, and agency ad-

ministrative management programs are evaluated to insure economical and effective administration.

6. *Regulatory hearings and decisions.*—The hearing examiners hold hearings in connection with the prescribing of new regulations and orders and on disciplinary complaints filed by the Department or on petitions filed by private parties asking relief from some action of the Department. Final administrative decisions in regulatory proceedings are rendered by the judicial officer. Agriculture Decisions is published monthly.

7. *National Agricultural Advisory Commission.*—Provision is made for the payment of necessary expenses incident to periodic meetings of the National Agricultural Advisory Commission.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$10,051	\$5,504	\$5,504	\$5,504
Selected resources at start of year (—).....	—10,051	—5,504	—5,504	—5,504
Adjustment of prior year costs and selected resources reported at start of year.....	—229	—	—	—
Costs financed from obligations of other years, net (—).....	—4,776	—	—	—

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	328	332	332
Full-time equivalent of all other positions.....	2	1	1
Average number of all employees.....	318	322	322
Number of employees at end of year.....	317	323	323
Average GS grade and salary.....	8.6 \$7,284	8.7 \$7,306	8.7 \$7,327
01 Personal services:			
Permanent positions.....	\$2,367,095	\$2,400,006	\$2,410,737
Positions other than permanent.....	11,845	9,813	8,526
Other personal services.....	21,027	30,181	20,737
Total personal services.....	2,399,967	2,440,000	2,440,000
02 Travel.....	102,024	117,632	117,632
03 Transportation of things.....	796	600	600
04 Communication services.....	38,434	38,700	38,700
05 Rents and utility services.....	871	800	800
06 Printing and reproduction.....	71,316	69,800	69,800
07 Other contractual services.....	14,060	14,000	32,500
Services performed by other agencies.....	22,079	20,900	20,900
08 Supplies and materials.....	21,280	20,500	20,500
09 Equipment.....	8,994	7,300	7,300
11 Grants, subsidies, and contributions.....	148,322	149,000	149,000
13 Refunds, awards, and indemnities.....	985	600	600
15 Taxes and assessments.....	1,314	1,168	1,168
Total obligations.....	2,830,442	2,881,000	2,899,500

Intragovernmental funds:

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE

This fund finances on a reimbursable basis certain central services in the Department of Agriculture, including duplicating, photographic, art and graphics, motion picture, tabulating, supply, and library photocopying services. The capital consists of \$400,000 appropriated (5 U.S.C. 542-1) and \$522,958 donated assets, as of June 30, 1959. Earnings are retained to furnish adequate working capital.

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Supply and other central services program:			
Acquisition of equipment.....	\$22,708	\$4,000	\$4,000
Expense:			
Purchase of materials.....	482,653	482,880	483,500
Other expense.....	359,502	361,200	361,400

Sources and Application of Funds (Operations)—Continued

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied)—Con.			
Reproduction services program:			
Acquisition of equipment.....	\$4,070	\$12,000	\$12,000
Expense:			
Purchase of materials.....	355,016	355,000	355,000
Other expense.....	674,991	680,000	680,000
Motion picture, photographic, and other visual information services program:			
Acquisition of equipment.....	36,407	40,000	20,000
Expense:			
Purchase of materials.....	166,665	190,000	190,000
Other expense.....	934,130	954,600	953,600
Increase in selected working capital.....	25,190	—	4,400
Total gross expenditures.....	3,061,332	3,079,680	3,063,900
Receipts from operations (funds provided):			
Supply and other central services program:			
Revenue.....	837,380	832,000	832,000
Proceeds from sale of equipment.....	825	—	—
Reproduction services program:			
Revenue.....	1,066,498	1,050,000	1,050,000
Proceeds from sale of equipment.....	490	—	—
Motion picture, photographic, and other visual information services program: Revenue.....	1,123,752	1,173,000	1,173,000
Decrease in selected working capital.....	—	31,600	—
Total receipts from operations.....	3,028,945	3,086,600	3,055,000
Budget expenditures.....	32,387	—6,920	8,900

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Supply and other central services program:			
Revenue.....	\$837,380	\$832,000	\$832,000
Expense.....	841,869	830,800	831,000
Net operating income or loss (—), supply and other central services program.....	—4,489	1,200	1,000
Reproduction services program:			
Revenue.....	1,066,498	1,050,000	1,050,000
Expense.....	1,026,524	1,050,000	1,050,000
Net operating income, reproduction services program.....	39,974	—	—
Motion picture, photographic, and other visual information services program:			
Revenue.....	1,123,752	1,173,000	1,173,000
Expense.....	1,129,582	1,171,600	1,172,600
Net operating income or loss (—), motion picture, photographic, and other visual information services program.....	—5,830	1,400	400
Nonoperating income:			
Proceeds from sale of equipment.....	1,315	—	—
Net book value of assets sold (—).....	—509	—	—
Net nonoperating income.....	806	—	—
Net income for the year.....	30,461	2,600	1,400
Retained earnings, beginning of year.....	38,942	69,403	72,003
Retained earnings, end of year.....	69,403	72,003	73,403

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury.....	\$278,658	\$285,578	\$276,678
Accounts receivable, net.....	466,607	447,087	437,087
Advances.....	5,972	5,500	5,500
Inventories, deferred charges, etc.....	266,910	283,690	301,090
Equipment, net.....	390,365	400,265	388,165
Total assets.....	1,408,512	1,422,120	1,408,520
Liabilities:			
Current.....	416,151	427,159	412,159
Government investment:			
Non-interest-bearing capital:			
Start of year.....	919,848	922,958	922,958
Donated assets, net, during year.....	3,110	—	—
End of year.....	922,958	922,958	922,958
Retained earnings.....	69,403	72,003	73,403
Total Government investment.....	992,361	994,961	996,361

NOTE.—Unpaid undelivered orders are as follows: June 30, 1958, \$111,376; 1959, \$105,005; 1960 \$88,969; and 1961, \$71,969.

OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE—Con.

Object Classification

	1959 actual	1960 estimate	1961 estimate
OFFICE OF THE SECRETARY			
Total number of permanent positions.....	164	160	160
Average number of all employees.....	156	158	158
Number of employees at end of year.....	151	158	158
Average GS grade and salary.....	4.2 \$4,623	4.3 \$4,657	4.3 \$4,680
Average salary of ungraded positions.....	\$4,454	\$4,437	\$4,453
01 Personal services:			
Permanent positions.....	\$716,479	\$711,453	\$714,178
Positions other than permanent.....	980		
Other personal services.....	29,102	28,547	25,822
Excess of annual leave earned over leave taken.....	2,375		
Total personal services.....	748,936	740,000	740,000
02 Travel.....	299	200	200
03 Transportation of things.....	164	200	200
04 Communication services.....	119,121	119,000	119,000
05 Rents and utility services.....	3,591	3,500	3,500
06 Printing and reproduction.....	49,459	49,000	49,000
07 Other contractual services.....	15,061	15,000	23,820
08 Supplies and materials.....	825,638	825,000	816,180
09 Equipment.....	23,907	12,000	12,000
11 Grants, subsidies, and contributions.....	46,099	46,000	46,000
13 Refunds, awards, and indemnities.....	10		
15 Taxes and assessments.....	115	100	100
Total, Office of the Secretary.....	1,832,400	1,810,000	1,810,000
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	108	107	107
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	110	109	109
Number of employees at end of year.....	110	111	111
Average GS grade and salary.....	7.7 \$6,084	7.7 \$6,113	7.7 \$6,131
01 Personal services:			
Permanent positions.....	\$675,403	\$693,851	\$698,893
Positions other than permanent.....	3,935	3,000	3,000
Other personal services.....	21,751	16,949	12,107
Excess of annual leave earned over leave taken.....	11,069		
Total personal services.....	712,158	713,800	714,000
02 Travel.....	23,504	24,000	24,000
03 Transportation of things.....	5,176	5,500	5,500
04 Communication services.....	4,568	5,800	5,800
06 Printing and reproduction.....	16,360	17,200	17,200
07 Other contractual services.....	166,021	199,600	206,500
Services performed by other agencies.....	9,677	12,100	12,100
08 Supplies and materials.....	176,649	183,572	175,800
09 Equipment.....	41,745	44,000	24,000
11 Grants, subsidies, and contributions.....	41,867	46,000	46,000
15 Taxes and assessments.....	685	1,000	1,000
Total, allotment accounts.....	1,198,410	1,252,572	1,231,900
Total obligations.....	3,030,810	3,062,572	3,041,900
Obligations are distributed as follows:			
Office of the Secretary.....	\$1,832,400	\$1,810,000	\$1,810,000
Office of Information.....	1,156,008	1,211,492	1,190,000
Library.....	42,402	41,080	41,900

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous services to other accounts:			
Department of Agriculture.....	\$29,564	\$29,935	\$29,935
Other agencies.....	10,100	3,720	3,720
Total program (costs—obligations).....	39,664	33,655	33,655
Financing:			
Advances and reimbursements from—			
Other accounts.....	39,465	33,655	33,655
Non-Federal sources (40 U.S.C. 481 (c)).....	199		
Total financing.....	39,664	33,655	33,655

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	2	2	2
Average number of all employees.....	2	2	2
Number of employees at end of year.....	0	0	0
Average GS grade and salary.....	10.9 \$8,590	11.2 \$9,472	11.2 \$9,501
01 Personal services: Permanent positions.....	\$22,168	\$14,660	\$14,660
02 Travel.....	14,936	18,000	17,890
04 Communication services.....	69		
05 Rents and utility services.....	52		
06 Printing and reproduction.....	1,254		
07 Other contractual services.....	65	8	118
09 Equipment.....	82		
11 Grants, subsidies, and contributions.....	1,008	987	987
Total obligations.....	39,664	33,655	33,655

OFFICE OF INFORMATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, **[\$1,431,665]** \$1,478,685, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417) and not less than two hundred and thirty-three thousand and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of \$10,000 may be used for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$1,431,665

Estimate 1961, \$1,478,685

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Publications review and distribution.....	\$652,281	\$685,192	\$696,872
2. Review and distribution of current agricultural information.....	517,363	517,490	528,750
3. Review, preparation, and distribution of visual agricultural information.....	223,954	228,983	253,063
Total program costs ¹	1,393,598	1,431,665	1,478,685
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	34,387		
Total program (obligations).....	1,427,985	1,431,665	1,478,685
Financing:			
Comparative transfers to other accounts.....	4,600		
Unobligated balance no longer available.....	680		
New obligational authority.....	1,433,265	1,431,665	1,478,685
New obligational authority:			
Appropriation.....	\$1,359,265	\$1,431,665	\$1,478,685
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 36).....	74,000		
Appropriation (adjusted).....	1,433,265	1,431,665	1,478,685

¹ Includes capital outlay as follows: June 30, 1959, \$7,132; 1960, \$6,500; 1961, \$6,500.

The Office has responsibility for the information work of the entire Department. Its major objective is to report to farmers, specially affected groups, and to the public the Department's research, action, regulatory, and

other programs, using any or all information media. This work is carried on in close cooperation with the land-grant colleges and with private industries which serve agriculture. Workload depends upon Department program demands, direct requests, and legislative requirements.

1. *Publications review and distribution.*—The Department publications, both printed and processed, are reviewed for policy clearance and control. Publications include farmers' bulletins, leaflets, periodicals, scientific, research, and marketing publications, and agricultural statistics.

2. *Review and distribution of current agricultural information.*—The Department's activities require the issuance of about 3,600 periodic crop, price, and market reports and press releases annually. Special information is furnished to national magazines, encyclopedic annuals, and trade publications. Digests, newsletters, and other services are made available to press associations, daily newspapers, and farm publications. Part 2 of the Secretary's annual report, known as the Yearbook of Agriculture, is published by the Office and distributed by Members of Congress. Radio is used to reach farmers locally and to broadcast regular weekly programs on major networks. Television package programs are prepared for use of land-grant colleges and television farm broadcasters. Essential information on Department policies and programs is provided to Washington and field employees by the biweekly issuance of USDA, an employee news bulletin.

3. *Review, preparation, and distribution of visual agricultural information.*—Motion pictures for the Department and private industries which serve agriculture are produced on a reimbursable basis and distributed through nearly 75 cooperating State film libraries. Still photographs, illustrations, and graphics are similarly produced. News and general-type photographs of Department programs and activities are available from a centralized library. Exhibits are produced and supplied to State extension workers for their use in State exhibit showings.

4. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Inventories and items on order:				
Publications consigned to Government Printing Office.....	\$157,000	\$177,700	\$180,000	\$180,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	275,652	279,099	276,799	276,799
Total selected resources at end of year.....	432,652	456,799	456,799	456,799
Selected resources at start of year (—).....	—432,652	—456,799	—456,799	—456,799
Adjustment of prior year costs and selected resources reported at start of year.....		10,240		
Obligations incurred for costs of other years, net.....		34,387		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	133	133	138
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	119	119	122
Number of employees at end of year.....	124	123	128
Average GS grade and salary.....	7.3 \$6,092	7.3 \$6,119	7.4 \$6,192
01 Personal services:			
Permanent positions.....	\$702,971	\$705,602	\$739,065
Positions other than permanent.....	9,198	6,025	3,200
Other personal services.....	4,643	6,238	3,500
Total personal services.....	716,812	717,865	745,765
02 Travel.....	9,427	9,500	9,500
03 Transportation of things.....	3,863	4,000	4,000
04 Communication services.....	89,148	89,000	92,500
06 Printing and reproduction.....	517,155	520,000	523,500

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
07 Other contractual services.....	\$8,460	\$8,500	\$15,520
Services performed by other agencies.....	17,579	18,000	18,000
08 Supplies and materials.....	11,435	11,000	14,500
09 Equipment.....	7,622	7,000	7,000
11 Grants, subsidies, and contributions.....	46,227	46,500	48,100
15 Taxes and assessments.....	257	300	300
Total obligations.....	1,427,985	1,431,665	1,478,685

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:

- "Acreage reserve," Commodity Stabilization Service.
- "Conservation reserve program," Commodity Stabilization Service.
- "Great Plains conservation program," Soil Conservation Service.
- "Working capital fund, Department of Agriculture."
- "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Review, preparation, and distribution of visual agricultural information.....	\$91,800	\$91,000	\$91,000
2. Miscellaneous services to other accounts.....	2,033		
Total program (costs—obligations).....	93,833	91,000	91,000
Financing:			
Advances and reimbursements from—			
Other accounts.....	87,986	85,000	85,000
Non-Federal sources (40 U.S.C. 481(c); 7 U.S.C. 1387).....	5,847	6,000	6,000
Total financing.....	93,833	91,000	91,000

Object Classification

	7	7	7
Total number of permanent positions.....	7	7	7
Average number of all employees.....	6	6	6
Number of employees at end of year.....	7	7	7
Average GS grade and salary.....	7.3 \$6,092	7.3 \$6,119	7.4 \$6,192
01 Personal services:			
Permanent positions.....	\$35,174	\$34,700	\$35,000
Other personal services.....	3,949	4,300	4,000
Total personal services.....	39,123	39,000	39,000
02 Travel.....	478	500	500
03 Transportation of things.....	738	700	700
06 Printing and reproduction.....	8,877	8,500	8,500
07 Other contractual services.....	29,709	26,800	26,800
Services performed by other agencies.....	6,889	7,000	7,000
08 Supplies and materials.....	5,429	6,000	6,000
11 Grants, subsidies, and contributions.....	2,590	2,500	2,500
Total obligations.....	93,833	91,000	91,000

LIBRARY

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, [\$900,000] \$895,660. (5 U.S.C. 83, 511–512, 514, 516, 552a; Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.)

Appropriated 1960, \$900,000

Estimate 1961, " \$895,660

*Excludes \$68,100 for activities transferred in the estimates to "Forest protection and utilization," Forest Service, and "Salaries and expenses," Agricultural Research Service. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

LIBRARY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Agricultural library services (total program costs ¹).....	\$772,807	\$831,900	\$895,660
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—12,255		
Total program (obligations).....	760,552	831,900	895,660
Financing:			
Comparative transfers to other accounts.....	66,978	68,100	
1959 appropriation available in 1958.....	2,213		
Unobligated balance no longer available.....	1,757		
New obligational authority.....	831,500	900,000	895,660
New obligational authority:			
Appropriation.....	\$772,000	\$900,000	\$895,660
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 52).....	59,500		
Appropriation (adjusted).....	831,500	900,000	895,660

¹ Includes capital outlay as follows: June 30, 1959, \$7,198; 1960, \$2,000; 1961, \$2,000.

1. *Agricultural library services.*—The library, a basic unit serving the research, extension, regulatory, and other programs of the Department and the State agricultural agencies, acquires records, and makes available through its catalogs, indexes and bibliographies, books, periodicals, and other publications containing information on agricultural and allied fields. It contains approximately 1,165,000 volumes, probably one of the most extensive agricultural collections existing in any country. Its services are used by agricultural colleges and universities, other research and educational institutions throughout the world, Government departments, agricultural associations, industry, individual farmers, and the general public. It serves as the national agricultural library, one of the three national libraries.

The responsibility for administering field branch library services needed by and available to the Agricultural Research Service and the Forest Service was transferred to these Services in 1960 in order to strengthen field library services and more effectively support research undertakings which have been augmented substantially in recent years.

During 1959, a total of 17,563 volumes and 214,641 separate issues of periodicals were added to the collection by purchase, gift, and exchange. During the same period 425,925 loans of books and periodicals were made and 85,408 reference questions were answered by the Department library.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Equipment not placed in use.....	\$211			
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	32,547	\$17,498	\$17,498	\$17,498
Total selected resources at end of year.....	32,758	17,498	17,498	17,498
Selected resources at start of year (—).....		—32,758	—17,498	—17,498
Adjustment of prior year costs and selected resources reported at start of year.....		3,005		
Costs financed from obligations of other years, net (—).....		—12,255		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	136	137	142
Full-time equivalent of all other positions.....	1	1	1
Average number of all employees.....	116	127	134
Number of employees at end of year.....	118	128	136
Average GS grade and salary.....	5.3 \$4,961	6.1 \$5,234	6.3 \$5,320
01 Personal services:			
Permanent positions.....	\$591,366	\$669,156	\$723,600
Positions other than permanent.....	1,794	744	800
Other personal services.....	4,112	5,100	2,900
Total personal services.....	597,272	675,000	727,300
02 Travel.....	3,045	2,600	2,600
03 Transportation of things.....	141	500	500
04 Communication services.....	11,199	10,000	10,000
06 Printing and reproduction.....	2,621	3,800	3,800
Binding.....	21,560	27,400	27,000
07 Other contractual services.....	21,713	6,100	10,660
Services performed by other agencies.....	9,126	12,800	12,500
08 Supplies and materials.....	7,717	7,700	7,700
09 Equipment.....	49,350	40,600	44,500
11 Grants, subsidies, and contributions.....	38,159	43,800	47,500
13 Refunds, awards, and indemnities.....	711	1,500	1,500
15 Taxes and assessments.....	151	100	100
1959 program obligated in 1958.....	—2,213		
Total obligations.....	760,552	831,900	895,660

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations, as follows:
 "Mutual security—economic," funds appropriated to the President.
 "Working capital fund, Department of Agriculture."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Agricultural library services (includes Departments of Agriculture, Health, Education, and Welfare, and Farm Credit Administration) (total program costs).....	\$81,426	\$80,849	\$15,665
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....		—849	—2,200
Obligations incurred for costs of other years, net.....	4,369		
Total program (obligations).....	85,795	80,000	13,465
Financing:			
Advances and reimbursements from—			
Other accounts.....	84,496	78,550	13,465
Non-Federal sources (5 U.S.C. 511, 563-564).....	1,299	1,450	
Total financing.....	85,795	80,000	13,465

2. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$1,538	\$3,349	\$2,500	\$300
Selected resources at start of year (—).....		—1,538	—3,349	—2,500
Adjustment of prior year costs and selected resources reported at start of year.....		2,558		
Costs financed from obligations of other years, net (—).....			—849	—2,200
Obligations incurred for costs of other years, net.....		4,369		

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	16	15	3
Average number of all employees.....	15	14	3
Number of employees at end of year.....	14	13	3
Average GS grade and salary.....	5.3 \$4,784	5.2 \$4,803	3.7 \$4,146

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
01 Personal services:			
Permanent positions.....	\$70,989	\$65,187	\$12,411
Other personal services.....	386	494	48
Total personal services.....	71,375	65,681	12,459
02 Travel.....	303		
06 Printing and reproduction.....	105	150	
07 Other contractual services.....	194	250	211
Services performed by other agencies.....	1,206	1,400	
08 Supplies and materials.....	393	400	
09 Equipment.....	7,795	7,882	
11 Grants, subsidies, and contributions.....	4,330	4,237	795
15 Taxes and assessments.....	94		
Total obligations.....	85,795	80,000	13,465

FOREST SERVICE

The Service carries on three primary functions: (a) Protection, development, and use of about 185 million acres of land in national forests and land utilization projects in the United States and Puerto Rico; (b) cooperation with States and private forest landowners to obtain better fire protection on approximately 435 million acres of forest lands and better forest practices on about 345 million acres of privately owned commercial timberlands, to encourage reforestation and stimulate development and management of State, county, and community forests; and (c) research for all public and private forest lands and related ranges to improve protection from fire, insects, and diseases; to increase production of timber, forage, water, and other products; to develop better utilization and marketing of forest products; and to maintain a current inventory of forest resources through a nationwide forest survey. These primary functions include construction and maintenance of roads and trails, control of forest pests, protection against floods, land acquisition and exchange, and a number of cooperative projects.

Current authorizations:

FOREST PROTECTION AND UTILIZATION

For expenses necessary for forest protection and utilization, as follows:

Forest land management: For necessary expenses of the Forest Service, not otherwise provided for, including the administration, improvement, development, and management of lands under Forest Service administration, fighting and preventing forest fires on or threatening such lands and for liquidation of obligations incurred in the preceding fiscal year for such purposes, control of white pine blister rust and other forest diseases and insects on Federal and non-Federal lands; **[\$77,815,800] \$88,159,700**, of which \$5,000,000 for fighting and preventing forest fires and \$1,910,000 for insect and disease control shall be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, to the extent necessary under the then existing conditions: *Provided*, That not more than \$100,000 may be used for acquisition of land under the Act of March 1, 1911, as amended (16 U.S.C. 513-519): *Provided further*, That funds appropriated for "Cooperative range improvements", pursuant to section 12 of the Act of April 24, 1950 (16 U.S.C. 580h), may be advanced to this appropriation.

Forest research: For forest research at forest and range experiment stations, the Forest Products Laboratory, or elsewhere, as authorized by law; **[\$14,026,400] \$16,332,000**.

State and private forestry cooperation: For cooperation with States in forest-fire prevention and suppression, in forest tree planting on non-Federal public and private lands, and in forest management and processing, and for advising timberland owners, associations, wood-using industries, and others in the application of forest management principles and processing of forest products, as authorized by law; **[\$12,327,800] \$12,334,800**.

During the current fiscal year not to exceed \$100,000 of the funds appropriated under this heading shall be available for the acquisition of sites authorized by the Act of March 3, 1925, as amended (16 U.S.C. 555), without regard to any other limitation on the amount available for this purpose. (5 U.S.C. 511-512, 524, 565a; 7 U.S.C. 428a, 1010-1012, 1621-1627; 16 U.S.C. 471-583i, 594-1-594-5, 594a; 30 U.S.C. 601-604, 611-615; 31 U.S.C. 534; 43 U.S.C. 1181h-1181j; 36 Stat. 557; Department of the Interior and Related Agencies Appropriation Act, 1960.)

Appropriated 1960, ^a **\$108,670,000** Estimate 1961, ^b **\$116,826,500**

^a Includes \$4,500,000 appropriated in Supplemental Appropriation Act, 1960.

^b Includes \$19,000 for activities transferred in the estimates from "Salaries and expenses", Library. The amounts obligated in 1959 and 1960 are shown in the schedule as comparative transfers.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Forest land management:			
(a) National forest protection and management.....	\$67,402,143	\$70,534,000	\$76,859,900
(b) Fighting forest fires.....	13,960,518	5,000,000	5,000,000
(c) Insect and disease control.....	6,266,324	6,881,800	6,899,800
(d) Acquisition of lands.....	70,605	100,000	100,000
Total, forest land management.....	87,699,590	82,515,800	88,859,700
2. Forest research:			
(a) Forest and range management.....	6,643,024	7,104,000	7,354,600
(b) Forest protection.....	2,434,164	2,650,000	2,834,000
(c) Forest products utilization.....	2,617,876	2,854,400	3,103,400
(d) Forest resources.....	1,883,820	1,937,000	2,040,000
(e) Forest research construction.....	595,629	2,000,000	250,000
Total, forest research.....	14,174,513	16,545,400	15,582,000
3. State and private forestry cooperation:			
(a) Forest fire control.....	9,312,292	10,085,000	10,087,500
(b) Forest tree planting.....	562,170	290,000	291,000
(c) Forest management and processing.....	1,377,478	1,542,000	1,543,000
(d) General forestry assistance.....	886,627	410,800	413,300
Total, State and private forestry cooperation.....	12,138,567	12,327,800	12,334,800
Total program costs ¹	114,012,670	111,389,000	116,776,500
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-2,000,000	
Obligations incurred for costs of other years, net.....	2,990,824		750,000
Total program (obligations).....	117,003,494	109,389,000	117,526,500
Financing:			
Comparative transfers from (-) other accounts.....	-18,753	-19,000	
1959 appropriation available in 1958.....	625,348		
Advances and reimbursements from other accounts.....	-700,000	-700,000	-700,000
Unobligated balance no longer available.....	255,511		
New obligational authority.....	117,165,600	108,670,000	116,826,500
New obligational authority:			
Appropriation.....	\$111,733,400	\$108,670,000	\$116,826,500
Transferred from "Conservation reserve program," Commodity Stabilization Service (73 Stat. 36).....	5,432,200		
Appropriation (adjusted).....	117,165,600	108,670,000	116,826,500

¹ Includes capital outlay as follows: June 30, 1959, \$15,883,837; 1960, \$13,000,000; 1961, \$14,500,000.

1. *Forest land management*—(a) *National forest protection and management*.—The 151 national forests are protected from fire and their resources are managed in such ways as to bring about full utilization and maximum sustained production. This item also provides for management of land utilization projects, including revegetation and other development work. Funds appropriated under Cooperative range improvements are merged with this appropriation for obligational purposes.

Increases are provided in the budget to carry out portions of the recommendations in the program for the national forests.

FOREST SERVICE—Continued

Current authorizations—Continued

FOREST PROTECTION AND UTILIZATION—Continued

MAIN WORKLOAD FACTORS

Description	1959 actual	1960 estimate	1961 estimate
Area administered and protected:			
(a) National forest land (acres).....	181,166,838	181,400,000	181,400,000
(b) Land utilization projects (acres).....	4,638,540	4,400,000	4,400,000
Timber managed and protected (billion board-feet).....	765	765	765
Timber sales (number).....	38,925	41,000	42,000
Timber harvested (billion board-feet).....	8.34	9.65	10.07
Forest fires controlled (number).....	11,577	10,000	10,000
Area burned (acres).....	139,326	300,000	200,000
Grazing use permits (calendar year).....	30,411	30,400	30,400
Estimated number of livestock on national forest ranges (including calves and lambs).....	6,000,000	6,000,000	6,000,000
Special use permits, excluding recreation (number).....	36,724	36,900	37,000
Recreation special use permits (number).....	21,709	22,300	23,000
Estimated number of visitors to national forests (calendar year).....	75,000,000	80,000,000	86,000,000
Tree planting and seeding (annual) (acres).....	37,824	40,000	40,000
Range reseeding and removal of competing vegetation (annual) (acres).....	149,115	150,000	150,000
Receipts:			
Timber sales.....	\$115,807,988	\$134,000,000	\$137,750,000
Grazing.....	3,750,916	3,750,000	3,750,000
Land uses.....	2,588,652	2,800,000	3,000,000
Land utilization projects.....	1,919,236	2,000,000	2,000,000
Total receipts.....	124,066,792	142,550,000	146,500,000

(b) *Fighting forest fires.*—This provides for employment of additional manpower and other facilities for forest fire emergencies which cannot be met by the fire control organization provided under national forest protection and management. A supplemental appropriation for this purpose is anticipated for 1960 under Proposed for later transmission.

(c) *Insect and disease control.*—Activities to suppress and control destructive insects and diseases that threaten timber areas include two types of work carried on jointly by Federal, State, and private agencies: (1) Surveys on forest lands to detect and appraise infestations of forest insects and infections of tree diseases and determination of protective measures to be taken, and (2) control operations to suppress or eradicate forest insects and diseases, including white pine blister rust.

(d) *Acquisition of lands.*—Lands are acquired to protect the watersheds of navigable streams and to increase the production of timber with the approval of the National Forest Reservation Commission. The present acquisition program is only for purchase of small tracts within the 55 approved purchase areas.

2. *Forest research.*—Research is conducted at nine regional forest experiment stations, the Forest Products Laboratory, and elsewhere.

(a) *Forest and range management.*—This research provides private and public land managers and owners with a sound basis for management of timber, forage, and watershed lands. Studies are conducted to maintain a sustained yield of products at the lowest possible costs; increase forage for domestic livestock and improve habitat for wildlife without damage to soil, watershed, or other values; assure maximum regular flow of usable water, and reduce floods and sedimentation.

(b) *Forest protection.*—Research is conducted to develop sound measures for the protection of forests from damage by fire, insects, and diseases. Forest fire research provides improved methods of predicting fire danger, preparing for, and combating fire by combinations of ground and aerial

methods. Insect and disease research develops direct controls, silvicultural measures, and biological agents to combat forest pests.

(c) *Forest products utilization.*—Studies are conducted to develop new and improved forest products, reduction and utilization of waste, and use of low-quality wood and unpopular species. They include studies to reduce costs of logging and wood utilization, and to develop basic knowledge of wood and disseminate this to forest owners, manufacturers, fabricators, and consumers.

(d) *Forest resources.*—These investigations are conducted to inventory and appraise the condition of forest lands, volume and quality of standing timber, ownership of timber resources, annual growth and depletion, and the potential need for timber products. Studies of the economics of forest crop production and of marketing of forest products are also included.

MAIN WORKLOAD FACTORS

[Acres in millions]

	1959 actual	1960 estimate	1961 estimate
Initial surveys (annual).....	21	30	30
Initial surveys (cumulative).....	549	579	609
To be surveyed (total) ¹	231	201	171
Resurveys (annual).....	32	30	30
Resurveys (cumulative).....	350	380	410

¹ Includes all of Alaska and Hawaii.

3. *State and private forestry cooperation.*—This program, carried on in cooperation with the States, encourages private timber management. Privately owned forest lands comprise three-fourths of the Nation's commercial forest area and produce about 85% of all timber cut. The fire control program applies to all State and private forest lands within the boundaries of organized protection units. The remainder of the program is concentrated on small forest properties in private ownership because they are in greater need of management.

(a) *Forest fire control.*—Assistance is furnished 46 States in preventing and suppressing forest fires on private and State owned lands by financial aid, training, procurement of equipment, and a nationwide fire prevention campaign. About 92% of the 435 million acres of non-Federal ownership are now partially covered. During 1958 the acreage burned on protected areas was 0.29% as against an estimated 4.99% on unprotected lands. Of the total expenditures under this program, 78% is contributed by States and counties, 4% by private owners, and 18% by the Federal Government.

(b) *Forest tree planting.*—To encourage woodland owners to reforest unproductive portions of their holdings, and farmers to plant wind barriers around their fields and farmsteads—a total of more than 48 million acres altogether—the States provide planting stock at less than cost. The Federal Government shares the cost of producing the stock with the State and private landowners.

(c) *Forest management and processing.*—In cooperation with State foresters, 376 projects in 1,761 counties are operated to aid small woodland owners in applying good management to their timber holdings. In 1958 these projects covered some 58,700 owners and almost 3.5 million acres.

(d) *General forestry assistance.*—Technical forest management assistance is provided to State, community, private, and other Federal agencies, forest industries, colleges, and landowners.

4. *Relation of cost to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects).....	\$2,619,092	\$2,218,982	\$2,300,000	\$2,300,000
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	4,520,875	7,801,981	5,713,793	6,463,793
Advances (payment for goods and services on order not yet received).....	133,074	122,830	130,000	130,000
Total selected resources at end of year.....	7,273,041	10,143,793	8,143,793	8,893,793
Selected resources at start of year (—).....	—7,273,041	—7,273,041	—10,143,793	—8,143,793
Adjustment of prior year costs and selected resources reported at start of year.....		120,072	—	—
Costs financed from obligations of other years, net (—).....			—2,000,000	—
Obligations incurred for costs of other years, net.....		2,990,824	—	750,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
FOREST SERVICE			
Total number of permanent positions.....	9,433	9,973	10,190
Full-time equivalent of all other positions.....	4,123	3,494	3,947
Average number of all employees.....	12,623	12,556	13,205
Number of employees at end of year.....	17,246	18,146	18,546
Average GS grade and salary.....	6.8 \$5,583	6.9 \$5,617	6.9 \$5,614
Average salary of ungraded positions.....	\$4,553	\$4,754	\$4,754
01 Personal services:			
Permanent positions.....	\$48,783,374	\$52,191,856	\$53,248,311
Positions other than permanent.....	11,668,337	10,742,497	12,543,531
Other personal services.....	5,908,179	3,076,034	2,870,405
Total personal services.....	66,359,890	66,010,387	68,662,247
02 Travel.....	3,133,049	3,231,000	3,402,000
03 Transportation of things.....	877,664	676,000	757,000
04 Communication services.....	869,640	829,000	850,000
05 Rents and utility services.....	1,189,551	1,256,000	1,020,500
06 Printing and reproduction.....	720,605	735,000	753,000
07 Other contractual services.....	6,639,861	5,391,000	6,993,000
Services performed by other agencies.....	6,657,659	5,276,000	5,498,000
08 Supplies and materials.....	8,307,399	6,683,012	8,115,152
09 Equipment.....	2,328,509	2,193,000	2,578,000
10 Lands and structures.....	5,721,527	2,707,000	4,407,000
11 Grants, subsidies, and contributions.....	2,958,931	3,400,000	3,470,000
Payments to States.....	11,466,599	11,165,000	11,165,000
13 Refunds, awards, and indemnities.....	54,432	72,000	85,000
15 Taxes and assessments.....	362,990	319,000	360,000
16 Investments and loans.....	105	—	—
Subtotal.....	117,648,411	109,943,399	118,115,899
Deduct quarters and subsistence charges.....	1,124,529	1,115,809	1,115,809
Total, Forest Service.....	116,523,882	108,827,590	117,000,090
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
Total number of permanent positions.....	9	14	14
Full-time equivalent of all other positions.....	67	64	64
Average number of all employees.....	80	83	83
Number of employees at end of year.....	223	211	211
Average GS grade and salary.....	6.7 \$5,273	7.0 \$5,500	7.0 \$5,636
01 Personal services:			
Permanent positions.....	\$55,677	\$84,638	\$85,714
Positions other than permanent.....	237,477	223,347	221,449
Other personal services.....	23,343	21,110	21,057
Total personal services.....	316,497	329,095	328,220
02 Travel.....	8,464	12,533	12,750
03 Transportation of things.....	1,144	1,590	1,700
04 Communication services.....	2,727	3,469	3,125
05 Rents and utility services.....	5,261	10,830	6,300
06 Printing and reproduction.....	67	146	150
07 Other contractual services.....	65,687	85,148	76,235
08 Supplies and materials.....	53,459	82,866	66,615
09 Equipment.....	16,526	24,952	19,739
11 Grants, subsidies, and contributions.....	4,156	5,678	5,580
13 Refunds, awards, and indemnities.....	42	—	—
15 Taxes and assessments.....	5,582	5,103	4,996
Total, Department of the Interior.....	479,612	561,410	526,410
Total obligations.....	117,003,494	109,389,000	117,526,500

FOREST ROADS AND TRAILS

For expenses necessary for carrying out the provisions of title 23, United States Code, sections 203 and 205, relating to the construction and maintenance of forest development roads and trails, [\$26,000,000] \$30,000,000, to remain available until expended, for liquidation of obligations incurred pursuant to authority contained in title 23, United States Code, section 203: *Provided*, That funds available under the Act of March 4, 1913 (16 U.S.C. 501), shall be merged with and made a part of this appropriation: *Provided further*, That not less than the amount made available under the provisions of the Act of March 4, 1913, shall be expended under the provisions of such Act. (5 U.S.C. 565a; 73 Stat. 613; Department of the Interior and Related Agencies Appropriation Act, 1960.)

Appropriated 1960, * \$28,000,000 Estimate 1961, \$30,000,000

* Includes \$2,000,000 appropriated in Supplemental Appropriation Act, 1960.

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Construction of roads and trails.....	\$33,546,761	\$29,959,194	\$32,140,000
2. Maintenance of roads and trails.....	10,605,871	10,400,000	10,500,000
Total program costs ¹	44,152,632	40,359,194	42,640,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—8,851,238	—	—
Obligations incurred for costs of other years, net.....	—	2,000,000	1,000,000
Total program (obligations).....	35,301,394	42,359,194	43,640,000
Financing:			
Unobligated balance brought forward (contract authorization).....	—26,915,895	—30,499,194	—30,000,000
Unobligated balance carried forward (contract authorization).....	30,499,194	30,000,000	—
New obligational authority.....	38,884,693	41,860,000	13,640,000
New obligational authority:			
Permanent contract authorization (new) (23 U.S.C. 203).....	\$30,000,000	\$30,000,000	—
Permanent indefinite appropriation (16 U.S.C. 501).....	8,884,693	11,860,000	\$13,640,000

¹ Includes capital outlay as follows: June 30, 1959, \$31,457,440; 1960, \$27,800,000; 1961, \$30,000,000.

1-2. *Construction and maintenance of roads and trails.*—

Roads and trails are essential to protection and management of national forests and utilization of their resources. The system consists of approximately 152,800 miles of roads and 112,200 miles of supplemental trails.

The 1961 program will permit the construction of about 376 miles of general purpose roads and about 460 miles of timber access roads to harvest national forest timber, a total of 836 miles. This compares with 1,221 miles constructed in 1959 and 870 being constructed in 1960.

Contract authority for 1961, which, in accordance with the Federal-Aid Highway Act, became available in 1960, will finance forest roads and trails construction in 1961. It is anticipated that this program will be financed by direct appropriation in future years.

Of the amounts received annually from national forest activities 10% is available under the permanent appropriation, Roads and trails for States, for construction and maintenance within the State from which such proceeds are derived (16 U.S.C. 501). Such amounts are merged with this appropriation for obligational purposes.

FOREST SERVICE—Continued

Current authorizations—Continued

FOREST ROADS AND TRAILS—Continued

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$15,705,734	\$6,814,496	\$8,814,496	\$9,814,496
Advances (payment for goods and services on order not yet received).....		40,000	40,000	40,000
Total selected resources at end of year.....	15,705,734	6,854,496	8,854,496	9,854,496
Selected resources at start of year (—).....		—15,705,734	—6,854,496	—8,854,496
Costs financed from obligations of other years, net (—).....		—8,851,238		
Obligations incurred for costs of other years, net.....			2,000,000	1,000,000

Object Classification

	1959 actual	1960 estimate	1961 estimate
FOREST SERVICE			
Total number of permanent positions.....	2,066	2,272	2,272
Full-time equivalent of all other positions.....	1,483	1,712	1,712
Average number of all employees.....	3,430	3,861	3,861
Number of employees at end of year.....	4,825	5,250	5,250
Average GS grade and salary.....	6.8 \$5,583	6.9 \$5,617	6.9 \$5,614
Average salary of ungraded positions.....	\$4,553	\$4,754	\$4,754
01 Personal services:			
Permanent positions.....	\$10,489,384	\$11,689,181	\$11,689,181
Positions other than permanent.....	5,265,804	6,186,151	6,186,151
Other personal services.....	295,985	309,122	264,668
Total personal services.....	16,051,173	18,184,454	18,140,000
02 Travel.....	733,441	806,300	806,300
03 Transportation of things.....	165,364	196,200	196,200
04 Communication services.....	177,165	196,600	196,600
05 Rents and utility services.....	318,221	367,200	367,200
06 Printing and reproduction.....	52,322	60,600	60,600
07 Other contractual services.....	3,241,868	5,345,000	5,465,000
Services performed by other agencies.....	3,440,020	4,068,000	4,068,000
08 Supplies and materials.....	2,970,860	3,660,000	3,540,000
09 Equipment.....	703,937	849,000	849,000
10 Lands and structures.....	4,350,406	5,847,863	7,271,000
11 Grants, subsidies, and contributions.....	692,671	786,700	786,700
13 Refunds, awards, and indemnities.....	8,377	8,400	8,400
15 Taxes and assessments.....	133,583	150,000	150,000
Subtotal.....	33,039,408	40,526,317	41,905,000
Deduct quarters and subsistence charges.....	234,715	259,245	265,000
Total, Forest Service.....	32,804,693	40,267,072	41,640,000
ALLOCATION TO BUREAU OF PUBLIC ROADS, DEPARTMENT OF COMMERCE			
Total number of permanent positions.....	100	100	100
Full-time equivalent of all other positions.....	51	50	50
Average number of all employees.....	141	140	140
Number of employees at end of year.....	98	100	100
Average GS grade and salary.....	8.1 \$6,598	8.2 \$6,674	8.2 \$6,771
01 Personal services:			
Permanent positions.....	\$468,712	\$475,000	\$480,000
Positions other than permanent.....	188,017	185,000	185,000
Other personal services.....	26,716	30,000	20,000
Total personal services.....	683,445	690,000	685,000
02 Travel.....	199,814	200,000	200,000
03 Transportation of things.....	735	1,000	1,000
04 Communication services.....	3,100	4,000	4,000
05 Rents and utility services.....	16,817	17,000	17,000
06 Printing and reproduction.....	1,833	2,000	2,000
07 Other contractual services.....	25,659	26,000	26,000
Services performed by other agencies.....	443,810	444,000	444,000
08 Supplies and materials.....	9,552	9,000	9,000
09 Equipment.....	730	1,000	1,000
10 Lands and structures.....	1,076,395	662,122	575,000
11 Grants, subsidies, and contributions.....	30,424	31,000	31,000
15 Taxes and assessments.....	4,700	5,000	5,000
Subtotal.....	2,497,014	2,092,122	2,000,000
Deduct quarters and subsistence charges.....	313		
Total, Bureau of Public Roads.....	2,496,701	2,092,122	2,000,000
Total obligations.....	35,301,394	42,359,194	43,640,000

FOREST ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORIZATION)

Status of Unfunded Contract Authorization

	1959 actual	1960 estimate	1961 estimate
Unfunded balance at beginning of year.....	\$34,664,000	\$38,664,000	\$40,664,000
Permanent contract authorization (new).....	30,000,000	30,000,000	30,000,000
Unfunded balance at end of year.....	—38,664,000	—40,664,000	—10,664,000
Appropriation to liquidate contract authorization.....	26,000,000	28,000,000	30,000,000

NOTE.—This program is described under "Forest roads and trails."

ACCESS ROADS

For acquiring by condemnation or otherwise additional roads needed for access to national-forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), \$1,000,000, to remain available until expended. (*Supplemental Appropriation Act, 1960.*)

Appropriated 1960, \$1,000,000

Estimate 1961, \$1,000,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Access roads (total costs ¹ —obligations) (object class 10).....		\$1,000,000	\$1,000,000
Financing:			
Appropriation (new obligational authority).....		1,000,000	1,000,000

¹ Includes capital outlay as follows: June 30, 1960, \$1,000,000; 1961, \$1,000,000.

Full or partial interest in existing roads or rights-of-way is purchased (or obtained by condemnation if purchase negotiations fail) to provide access to national-forest areas where road access is a serious problem.

ACQUISITION OF LANDS FOR NATIONAL FORESTS

SUPERIOR NATIONAL FOREST

For the acquisition of forest land within the Superior National Forest, Minnesota, under the provisions of the Act of June 22, 1948 (62 Stat. 570; 16 U.S.C. 577c-h), as amended, \$1,000,000, to remain available until expended: *Provided, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned.*

Estimate 1961, \$1,000,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of lands for Superior National Forest (total program costs ¹).....	\$601,860	\$93,470	\$170,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—).....	—84,808	—78,627	
Obligations incurred for costs of other years (unpaid undelivered orders), net.....			\$30,000
Total program (obligations).....	517,052	14,843	1,000,000
Financing:			
Unobligated balance brought forward.....	—531,895	—14,843	
Unobligated balance carried forward.....	14,843		
Appropriation (new obligational authority).....			1,000,000

¹ Includes capital outlay as follows: June 30, 1959, \$589,445; 1960, \$91,600; 1961, \$166,600.

As of June 30, 1960, approximately 37,270 acres of land will have been acquired to preserve the wilderness conditions of part of the Superior National Forest in Minnesota.

The appropriation proposed will complete the authorization of \$2,500,000 and will permit acquisition of most of the remaining improved tracts.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$233,435; 1959, \$148,627; 1960, \$70,000; 1961, \$900,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	1	-----	2
Average number of all employees.....	2	-----	3
Number of employees at end of year.....	1	-----	2
Average GS grade and salary.....	6.8 \$5,583	-----	6.9 \$5,614
01 Personal services:			
Permanent positions.....	\$10,562	-----	\$21,118
Positions other than permanent.....	6	-----	-----
Other personal services.....	41	-----	82
Total personal services.....	10,609	-----	21,200
02 Travel.....	569	-----	1,100
04 Communication services.....	25	-----	100
07 Other contractual services.....	552	-----	1,000
08 Supplies and materials.....	76	-----	-----
09 Equipment.....	14	-----	-----
10 Lands and structures.....	504,513	\$14,843	975,200
11 Grants, subsidies, and contributions.....	694	-----	1,400
Total obligations.....	517,052	14,843	1,000,000

SPECIAL ACTS

(Special fund)

For the acquisition of land in the Cache National Forest, Utah, in accordance with the Act of May 11, 1938 (52 Stat. 347), as amended, \$10,000, to be derived from forest receipts as authorized by said Act: *Provided*, That no part of this appropriation shall be used for acquisition of any land which is not within the boundaries of a national forest: *Provided further*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, \$10,000

Estimate 1961, \$10,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Cache National Forest, Utah (total program costs).....	\$705	\$10,000	\$10,000
2. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net.....	8,893	-----	-----
Total program (obligations).....	9,598	10,000	10,000
Financing:			
Appropriation (new obligational authority).....	9,598	10,000	10,000

1. On the basis of agreements with certain counties in Utah, national forest receipts, including portions which would normally be paid to county road and school funds, are appropriated for purchase of privately owned lands within the Cache National Forest to aid in the control of soil erosion and flood damage.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$10,189; 1959, \$19,082; 1960, \$19,082; 1961, \$19,082.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees.....	1	1	1
Number of employees at end of year.....	0	0	0
Average GS grade and salary.....	6.8 \$5,583	6.9 \$5,617	6.9 \$5,614
01 Personal services: Permanent positions.....	\$625	\$640	\$640
02 Travel.....	-----	39	39

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
05 Rents and utility services.....	\$28	-----	-----
06 Printing and reproduction.....	9	-----	-----
07 Other contractual services.....	2	\$50	\$50
08 Supplies and materials.....	-----	12	12
10 Lands and structures.....	8,893	9,217	9,217
11 Grants, subsidies, and contributions.....	41	42	42
Total obligations.....	9,598	10,000	10,000

[CACHE NATIONAL FOREST]

For the acquisition of lands within the boundaries of the Cache National Forest, Utah, under the authority of the Act of July 24, 1956 (70 Stat. 632), \$50,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, \$50,000

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Acquisition of lands for Cache National Forest (total program costs ¹).....	\$16,435	\$84,985	\$65,000
2. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—).....	—657	-----	—65,000
Obligations incurred for costs of other years (unpaid undelivered orders), net.....	-----	52,653	-----
Total program (obligations).....	15,778	137,638	-----
Financing:			
Unobligated balance brought forward.....	—53,416	—87,638	-----
Unobligated balance carried forward.....	87,638	-----	-----
Appropriation (new obligational authority).....	50,000	50,000	-----

¹ Includes capital outlay as follows: June 30, 1959, \$13,004; 1960, \$82,985; 1961, \$65,000.

1. Lands are acquired within the Cache National Forest, Utah, to enable control and minimization of soil erosion and flood damage. The 1960 appropriation completed the authorization of \$200,000.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$13,004; 1959, \$12,347; 1960, \$65,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Average number of all employees.....	1	1	-----
Number of employees at end of year.....	0	0	-----
Average GS grade and salary.....	6.8 \$5,583	6.9 \$5,617	-----
01 Personal services: Permanent positions.....	\$3,045	\$2,530	-----
02 Travel.....	67	130	-----
05 Rents and utility services.....	31	-----	-----
07 Other contractual services.....	143	171	-----
10 Lands and structures.....	12,297	134,639	-----
11 Grants, subsidies, and contributions.....	195	168	-----
Total obligations.....	15,778	137,638	-----

COOPERATIVE RANGE IMPROVEMENTS

(Special fund)

For artificial revegetation, construction, and maintenance of range improvements, control of rodents, and eradication of poisonous and noxious plants on national forests in accordance with section 12 of the Act of April 24, 1950 (16 U.S.C. 580h), to be derived from grazing fees as authorized by said section, \$700,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1960.*)

Appropriated 1960, \$700,000

Estimate 1961, \$700,000

FOREST SERVICE—Continued

Current authorizations—Continued

COOPERATIVE RANGE IMPROVEMENTS—Continued

(Special fund)—Continued

Program and Financing			
	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Advanced to "Forest protection and utilization" (total costs—obligations) (object class 07)-----	\$700,000	\$700,000	\$700,000
Financing:			
Appropriation (new obligational authority)-----	700,000	700,000	700,000

Part of the grazing fees from the national forests, when appropriated, are used to protect or improve the productivity of the range, mainly by construction and maintenance of fences, stock watering facilities, bridges, corrals, and driveways. These funds are advanced to and merged with the appropriation Forest protection and utilization, subappropriation Forest land management.

ASSISTANCE TO STATES FOR TREE PLANTING

Program and Financing			
	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Tree planting assistance (total program costs)-----	\$2,772	\$6,003	-----
2. Relation of costs to obligations:			
Costs financed from obligations of other year: (unpaid undelivered orders), net (—)-----		—4,227	-----
Obligations incurred for costs of other years (unpaid undelivered orders), net-----	4,227		-----
Total program (obligations)-----	6,999	1,776	-----
Financing:			
Unobligated balance brought forward....	—8,775	—1,776	-----
Unobligated balance carried forward....	1,776		-----
Appropriation (new obligational authority)-----			

1. To carry out section 401 of the Agricultural Act of 1956, assistance was given in 1959 and 1960 to the State forester or other State official, through technical advice and financial contribution, to carry out increased tree planting and reforestation work in accordance with plans submitted by the State and approved by the Secretary of Agriculture.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$4,227.

Object Classification			
	1959 actual	1960 estimate	1961 estimate
02 Travel-----	\$474		
07 Other contractual services-----	3,693		
11 Grants, subsidies, and contributions-----	2,832	\$1,776	
Total obligations-----	6,999	1,776	

GENERAL PROVISIONS, FOREST SERVICE

SEC. 201. Appropriations available to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed [seventy-five] ninety-eight passenger motor vehicles for

replacement only, and hire of such vehicles; operation and maintenance of aircraft and the purchase of not to exceed [three] four of which two shall be for replacement only; (b) employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in an amount not to exceed \$25,000; (c) uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); (d) purchase, erection, and alteration of buildings and other public improvements (5 U.S.C. 565a); and (e) expenses of the National Forest Reservation Commission as authorized by section 14 of the Act of March 1, 1911 (16 U.S.C. 514).

SEC. 202. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated to the Forest Service shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 203. No part of any appropriation to the Forest Service in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

SEC. 204. The Secretary may sell at market value any property located in Yalobusha, Chickasaw, and Pontotoc Counties, Mississippi, administered under title III of the Act of July 22, 1937, and suitable for return to private ownership under such terms and conditions as would not conflict with the purposes of said Act.

SEC. [205] 204. Funds appropriated under this Act shall not be used for acquisition of forest lands under the provisions of the Act approved March 1, 1911, as amended (16 U.S.C. 513–519, 521), where such land is not within the boundaries of a national forest nor shall these lands or lands authorized for purchase in Sanders County, Montana, be acquired without the approval of the local government concerned.

SEC. 205. The Secretary may acquire lands within the exterior boundaries of national forests in the States of Missouri, Illinois, Wisconsin, or Minnesota, suitable for administration in connection with the national forests, by exchanging therefor not to exceed an equal value of national-forest land in the State of Iowa pursuant to the provisions of subsection (a) of section 11 of the Act of August 3, 1956 (7 U.S.C. 428a). Such exchanges may be subject to such outstanding rights, reservations, and conditions as the Secretary may deem appropriate. (Department of the Interior and Related Agencies Appropriation Act, 1960.)

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

NOTE.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations as follows:

"Watershed protection," Soil Conservation Service.
 "Flood prevention," Soil Conservation Service.
 "Agricultural conservation program," Agricultural Conservation Program Service.
 "Great Plains conservation program," Soil Conservation Service.
 "Conservation reserve program," Commodity Stabilization Service.
 "Construction, general," rivers and harbors and flood control, Army—Civil.
 "Mutual security—economic," funds appropriated to the President.
 "Salaries and expenses," Office of Civil and Defense Mobilization.
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.

Permanent authorizations:

EXPENSES, BRUSH DISPOSAL

(Indefinite special fund)

Appropriated (est.) 1960, \$6,500,000 Estimate 1961, \$6,500,000

Program and Financing			
	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Brush disposal-----	\$4,649,803	\$5,500,000	\$6,000,000
2. Fighting forest fires-----	1,622,964		
Total program costs ¹ -----	6,272,767	5,500,000	6,000,000
3. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net-----	20,772		
Total program (obligations)-----	6,293,539	5,500,000	6,000,000
Financing:			
Unobligated balance brought forward....	—1,775,362	—1,827,786	—4,450,750
Advances and reimbursements from other accounts-----	—550,369	—1,622,964	
Unobligated balance carried forward....	1,827,786	4,450,750	4,950,750
Appropriation (new obligational authority)-----	5,795,594	6,500,000	6,500,000

¹ Includes capital outlay as follows: June 30, 1959, \$505,863; 1960, \$500,000; 1961, \$550,000.

Payments made for this purpose by purchasers of national-forest timber are used to dispose of slash and other debris that result from cutting operations (16 U.S.C. 490).

3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1958, \$140,876; 1959, \$161,648; 1960, \$161,648; 1961, \$161,648.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	214	234	244
Full-time equivalent of all other positions.....	669	600	640
Average number of all employees.....	914	866	916
Number of employees at end of year.....	1,586	1,550	1,580
Average GS grade and salary.....	6.8 \$5,583	6.9 \$5,617	6.9 \$5,614
Average salary of ungraded positions.....	\$4,553	\$4,754	\$4,754
01 Personal services:			
Permanent positions.....	\$1,278,433	\$1,411,836	\$1,464,986
Positions other than permanent.....	1,915,452	2,120,351	2,272,188
Other personal services.....	776,760	204,726	199,726
Total personal services.....	3,970,645	3,736,913	3,936,900
02 Travel.....	66,640	39,080	45,400
03 Transportation of things.....	43,180	27,945	32,400
04 Communication services.....	32,598	34,797	40,400
05 Rents and utility services.....	76,584	49,323	57,300
06 Printing and reproduction.....	6,973	8,434	10,000
07 Other contractual services.....	634,724	342,972	485,500
Services performed by other agencies.....	539,127	495,671	501,300
08 Supplies and materials.....	543,787	371,269	419,000
09 Equipment.....	187,507	196,060	227,700
10 Lands and structures.....	134,056	163,278	189,700
11 Grants, subsidies, and contributions.....	116,173	105,316	122,300
13 Refunds, awards, and indemnities.....	13,090	1,014	1,200
15 Taxes and assessments.....	52,614	56,765	65,900
Subtotal.....	6,417,694	5,628,837	6,135,000
Deduct quarters and subsistence charges.....	124,155	128,837	135,000
Total obligations.....	6,293,539	5,500,000	6,000,000

OTHER FOREST SERVICE PERMANENT APPROPRIATIONS

(Indefinite special funds unless otherwise indicated)

Appropriated (est.) 1960, \$30,548,758 Estimate 1961, \$34,960,170

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Forest fire prevention.....	\$23,903	\$20,646	\$20,000
2. Restoration of forest lands and improvements.....	5,559	107,083	100,000
3. Payment to Minnesota.....	48,240	121,309	121,309
4. Payments due counties, submarginal land program.....	460,109	500,000	500,000
5. Payments to school funds, Arizona and New Mexico.....	117,161	113,861	113,861
6. Payments to States and Territories.....	22,204,787	29,668,588	34,105,000
7. Construction of improvements, Salt Lake City, Utah.....		25,000	
Total program costs.....	22,859,759	30,556,487	34,960,170
8. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net.....	1,833		
Total program (obligations).....	22,861,592	30,556,487	34,960,170
Financing:			
Unobligated balance brought forward.....	-10,929	-7,729	
Unobligated balance carried forward.....	7,729		
New obligational authority.....	22,858,392	30,548,758	34,960,170
New obligational authority:			
"Forest fire prevention".....	\$15,453	\$20,000	\$20,000
"Restoration of forest lands and improvements".....	12,642	100,000	100,000
"Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund".....	48,240	121,309	121,309
"Payments due counties, submarginal land program, Farm Tenant Act".....	460,109	500,000	500,000
"Payments to school funds, Arizona and New Mexico, act of June 20, 1910" (indefinite general fund).....	117,161	113,861	113,861
"Payments to States and Territories from the national forests fund".....	22,204,787	29,668,588	34,105,000
"Construction of improvements, Salt Lake City, Utah".....		25,000	
Appropriation.....	22,858,392	30,548,758	34,960,170

1. *Forest fire prevention.*—Fees for the use of the character "Smokey Bear" by private enterprises are collected under regulations promulgated by the Secretary and are available for furthering the nationwide forest fire prevention campaign (18 U.S.C. 711).

2. *Restoration of forest lands and improvements.*—Funds received from settlement of claims involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement or forfeiture (72 Stat. 217).

3. *Payment to Minnesota.*—At the close of each fiscal year the State of Minnesota is paid 0.75% of the appraised value of certain Superior National Forest lands in the counties of Cook, Lake, and St. Louis for distribution to these counties (16 U.S.C. 577g).

4. *Payments due counties, submarginal land program.*—Of the revenues received from the use of submarginal lands, 25% is paid to the counties in which such land is situated for school and road purposes (7 U.S.C. 1012).

5. *Payments to school funds, Arizona and New Mexico.*—The States of Arizona and New Mexico are paid a share of the national-forest receipts for school purposes (36 Stat. 562, 573).

6. *Payments to States and territories.*—With minor exceptions, 25% of the money received from the national forests is paid to the States and territories for public schools and roads of the county in which such forests are situated (16 U.S.C. 500).

7. *Construction of improvements, Salt Lake City, Utah.*—Funds from sale of Forest Service property to Salt Lake City will be used for construction of a fire warehouse and related facilities (72 Stat. 589).

8. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$1,833; 1960, \$1,833; 1961, \$1,833.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	3	3	3
Full-time equivalent of all other positions.....	1	12	12
Average number of all employees.....	4	16	16
Number of employees at end of year.....	3	3	3
Average GS grade and salary.....	6.8 \$5,583	6.9 \$5,617	6.9 \$5,614
01 Personal services:			
Permanent positions.....	\$10,558	\$15,245	\$15,245
Positions other than permanent.....	4,810	41,303	41,303
Other personal services.....	458	3,174	3,055
Total personal services.....	15,826	59,722	59,603
02 Travel.....		4,725	4,600
03 Transportation of things.....	30	1,139	1,000
04 Communication services.....	2,500	4,910	4,800
06 Printing and reproduction.....	2,535	4,910	4,800
07 Other contractual services.....	4,780	24,552	20,267
Services performed by other agencies.....	990	1,316	1,200
08 Supplies and materials.....	3,855	22,466	19,830
09 Equipment.....		128	100
10 Lands and structures.....		25,000	
11 Grants, subsidies, and contributions.....	22,831,005	30,406,559	34,842,970
15 Taxes and assessments.....	71	1,057	1,000
Total obligations.....	22,861,592	30,556,487	34,960,170

Intragovernmental funds:

WORKING CAPITAL FUND, FOREST SERVICE

This fund finances on a reimbursable basis various services such as repairing and replacing equipment, stocking and issuing supplies, and operation of photographic and reproduction facilities in support of programs of the Forest Service (16 U.S.C. 579b). These service operations serve programs of fire protection, timber

FOREST SERVICE—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, FOREST SERVICE—Continued

utilization, construction and maintenance of roads and other improvements, reforestation, grazing, watershed, forest and forest products research, and kindred conservation activities of the Forest Service, including cooperative assistance with other Federal agencies, States, counties, and individuals engaged in the same objectives. Government investment in the fund as of June 30, 1959, including donated assets at its inception and retained earnings for 1959, is \$17,133,901. By the end of 1961 the investment is anticipated to be \$20,164,858, an increase of \$3,030,957, which represents estimated earnings and donations during 1960 and 1961. Earnings are retained to furnish adequate working capital.

Sources and Applications of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Equipment and supply service:			
Acquisition of equipment.....	\$3,699,649	\$3,886,904	\$4,348,928
Expense:			
Commodities and materials purchased.....	4,658,455	4,543,847	5,000,000
Other expense.....	6,833,768	7,591,465	8,403,055
Adjustment of working capital assumed in prior year.....	173		
Increase in selected working capital.....		148,772	2,392
Total gross expenditures.....	15,242,045	16,170,988	17,754,375
Receipts from operations (funds provided):			
Equipment and supply service:			
Revenue.....	14,931,831	15,375,755	17,000,000
Proceeds from sale of equipment.....	664,310	704,645	800,000
Selected working capital assumed.....			
Decrease in selected working capital.....	84,601		
Total receipts from operations.....	15,680,742	16,080,400	17,800,000
Budget expenditures.....	-438,697	90,588	-45,625

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Equipment and supply service:			
Revenue.....	\$14,931,831	\$15,375,755	\$17,000,000
Expense.....	14,638,774	15,124,041	16,749,382
Net operating income, equipment, and supply service.....	293,057	251,714	250,618
Nonoperating income:			
Proceeds from sale of equipment.....	664,310	704,645	800,000
Net book value of equipment sold (-).....	-258,828	-343,811	-400,000
Net nonoperating income.....	405,482	360,834	400,000
Net income for the year.....	698,539	612,548	650,618
Retained earnings, beginning of year.....	638,295	1,336,834	1,949,382
Retained earnings, end of year.....	1,336,834	1,949,382	2,600,000

Financial Condition

	1959 actual	1960 estimate	1961 estimate
Assets:			
Cash with Treasury.....	\$1,944,963	\$1,854,375	\$1,900,000
Accounts receivable, net.....	1,812,181	1,621,965	1,650,000
Advances.....	1,850	2,000	2,000
Commodities, materials, and supplies.....	843,134	1,296,326	1,450,000
Equipment, net.....	14,632,611	15,805,825	16,700,001
Buildings and other structures.....	12,356	262,857	262,857
Total assets.....	19,247,095	20,843,348	21,964,858
Liabilities:			
Current.....	2,113,194	1,774,356	1,800,000
Government investment:			
Non-interest-bearing capital:			
Start of year.....	14,741,045	15,797,067	17,119,610
Assets assumed during the year.....	1,056,022	1,322,843	445,248
End of year.....	15,797,067	17,119,610	17,564,858
Retained earnings.....	1,336,834	1,949,382	2,600,000
Total Government investment.....	17,133,901	19,068,992	20,164,858

NOTE: Unpaid undelivered orders are as follows: June 30, 1958, \$1,214,426; 1959, \$1,031,512; 1960, \$645,132; 1961, \$393,149.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	581	599	614
Full-time equivalent of all other positions.....	89	92	137
Average number of all employees.....	677	700	760
Number of employees at end of year.....	631	652	677
Average GS grade and salary.....	6.8 \$5,583	6.9 \$5,617	6.9 \$5,614
Average salary of ungraded positions.....	\$4,553	\$4,754	\$4,754
01 Personal services:			
Permanent positions.....	\$3,104,999	\$3,266,850	\$3,347,475
Positions other than permanent.....	335,312	356,657	550,768
Other personal services.....	84,154	95,966	108,530
Total personal services.....	3,524,465	3,719,473	4,006,773
02 Travel.....	151,761	166,051	200,000
03 Transportation of things.....	255,807	264,698	300,000
04 Communication services.....	75,796	77,166	90,000
05 Rents and utility services.....	153,453	155,604	250,000
06 Printing and reproduction.....	10,246	11,975	20,000
07 Other contractual services.....	978,825	1,019,311	1,500,000
Services performed by other agencies.....	73,073	75,415	100,000
08 Supplies and materials.....	6,186,471	6,497,529	6,797,000
09 Equipment.....	3,441,493	3,428,809	4,500,000
11 Grants, subsidies, and contributions.....	201,986	212,877	220,000
13 Refunds, awards, and indemnities.....	2,045	2,349	3,000
15 Taxes and assessments.....	9,464	11,502	20,000
Subtotal.....	15,064,885	15,642,759	18,006,773
Deduct quarters and subsistence charges.....	5,008	6,773	6,773
Total obligations.....	15,059,877	15,635,986	18,000,000

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Repair of equipment and sale of supplies, materials, and equipment to other activities of Forest Service; the Departments of Agriculture, Commerce, Interior, Defense, and Post Office; Veterans Administration; Atomic Energy Commission; and other agencies.....	\$1,518,894	\$1,000,000	\$1,000,000
2. Construction and maintenance of roads, trails, and other improvements.....	677,188	2,670,000	2,670,000
3. Forest fire protection and suppression.....	845,238	1,000,000	1,000,000
4. Surveys, land appraisals, mapping, cruising timber, and preparation of timber management plans, snow scale readings, etc., on national forest and other lands.....	549,222	800,000	800,000
5. Insect and disease control.....	25,263	200,000	200,000
6. Forest research at experimental forests and ranges.....	323,404	335,000	335,000
7. Investigations at Forest Products Laboratory.....	749,345	700,000	700,000
8. Forest resources surveys and investigations.....	101,328	120,000	120,000
9. Cooperation in forest fire control, forest management and processing, and forest tree planting.....	267,547	405,000	405,000
Total program (costs—obligations).....	5,060,429	7,230,000	7,230,000
Financing:			
Advances and reimbursements from—			
Other accounts.....	4,307,039	6,100,000	6,100,000
Non-Federal sources (16 U.S.C. 504a, 572, 580, 580a; 40 U.S.C. 481(c)).....	753,390	1,130,000	1,130,000
Total financing.....	5,060,429	7,230,000	7,230,000

¹ Includes capital outlays as follows: June 30, 1959, \$839,468; 1960, \$1,200,000; 1961, \$1,200,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	302	291	266
Full-time equivalent of all other positions.....	208	314	339
Average number of all employees.....	496	626	626
Number of employees at end of year.....	446	397	397
Average GS grade and salary.....	6.8 \$5,583	6.9 \$5,617	6.9 \$5,614
Average salary of ungraded positions.....	\$4,553	\$4,754	\$4,754
01 Personal services:			
Permanent positions.....	\$1,736,747	\$1,825,434	\$1,691,659
Positions other than permanent.....	713,485	1,106,096	1,239,871
Other personal services.....	103,396	133,049	125,513
Total personal services.....	2,553,628	3,064,579	3,057,043

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
02 Travel.....	\$87,845	\$172,000	\$172,000
03 Transportation of things.....	24,903	60,000	60,000
04 Communication services.....	21,357	39,000	39,000
05 Rents and utility services.....	37,514	52,000	52,000
06 Printing and reproduction.....	29,745	37,000	37,000
07 Other contractual services.....	450,656	865,000	880,400
Services performed by other agencies.....	726,234	1,114,000	1,114,000
08 Supplies and materials.....	773,458	1,381,321	1,377,457
09 Equipment.....	49,286	68,000	68,000
10 Lands and structures.....	210,669	215,000	215,000
11 Grants, subsidies, and contributions.....	89,555	142,000	133,000
13 Refunds, awards, and indemnities.....	91	100	100
15 Taxes and assessments.....	5,545	25,000	30,000
Subtotal.....	5,060,486	7,235,000	7,235,000
Deduct quarters and subsistence charges.....	57	5,000	5,000
Total obligations.....	5,060,429	7,230,000	7,230,000

Proposed for later transmission:

FOREST PROTECTION AND UTILIZATION

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Forest land management: Fighting forest fires (total costs—obligations).....		\$21,500,000	
Financing:			
Proposed supplemental appropriation.....		21,500,000	

Under existing legislation, 1960.—A supplemental appropriation for 1960 in the amount of \$21.5 million is anticipated for fighting forest fires.

GENERAL PROVISIONS

SEC. 401. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [four hundred and twenty-five] *three hundred and thirty-seven* passenger motor vehicles, of which [four hundred and twenty-three] *three hundred and thirty-two* shall be for replacement only, and for the hire of such vehicles.

SEC. 402. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 403. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 404. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 405. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 406. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1953 (7 U.S.C. 427, 1621-1629; 72 Stat. 1793), shall be available for contracting in accordance with said Acts.

SEC. 407. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1960.*)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
AGRICULTURAL RESEARCH SERVICE								
Salaries and expenses:								
Research.....	49	\$73,500	44	\$19,800	\$53,700	320	\$33,000	Scientific and technical personnel: For necessary field travel in carrying out research programs on agricultural problems relating to production and utilization of agricultural products, including use of one automobile at National Arboretum in Washington, D.C.
Station wagon.....	6	11,700	6	2,700	9,000	31	500	Do.
Ambulance.....						1		Officials and employees at Plum Island, N.Y., foot-and-mouth research laboratory: For use of employees who may require ambulance service. No private vehicles allowed on island.
Bus.....						6		Officials and employees at Plum Island, N.Y., foot-and-mouth research laboratory: For use in transporting employees from ferry to laboratory and return. No private vehicles allowed on island.
Plant and animal disease and pest control.	115	172,500	115	51,750	120,750	573	247,500	Inspection personnel and control supervisors: Transportation to farms, ranches, and other premises in field and urban locations in carrying out plant and animal disease and pest control, including inspection and quarantine work.
Station wagon.....						3	500	Do.
Meat inspection.....						5	27,500	Inspection personnel: Transportation to slaughterhouses and meat packing plants in urban centers, including field station in District of Columbia, in carrying out provisions of laws relating to Federal inspection of meat and meat food products.
Working capital fund.....						5	1,000	Superintendent, engineers, and other officials: Transportation in supervising and inspecting maintenance and operation of agricultural research center and for transporting officials and visiting agricultural leaders to and from various sections of the center.
Total, Agricultural Research Service.	170	257,700	165	74,250	183,450	944	310,000	
SOIL CONSERVATION SERVICE								
Conservation operations.....	113	169,500	113	33,900	135,600	616	123,000	State and area conservationists, technical specialists, and survey supervisors: Transportation in connection with supervision and inspection of service activities in conservation districts.
Station wagon.....						3	600	Do.
Watershed protection.....	8	12,000	8	2,300	9,700	22	4,300	Project personnel: Transportation for investigation and planning of proposed small watershed projects; surveying and supervising the installation of work of improvement in authorized projects, and for negotiating with local sponsors of the projects; for investigating the agricultural phases of proposed river basin projects.
Station wagon.....	4	7,300	4	1,600	5,700	34	6,600	Do.

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
SOIL CONSERVATION SERVICE—CON.								
Flood prevention-----	5	\$7,500	5	\$1,500	\$6,000	50	\$9,500	Project personnel: Transportation in connection with surveying and supervising the installation of works of improvement in authorized flood prevention projects. Do. Project personnel: Transportation in connection with the development, operation, and management of the Eden Valley project. Assistant State conservationists: Transportation in connection with supervision and inspection of Service activities in the Great Plains conservation program in the field offices of the 10 Great Plains States.
Station wagon-----	1	1,800	1	400	1,400	5	1,000	
Water conservation and utilization projects.						1		
Great Plains conservation program--	1	1,500	1	300	1,200	9	2,000	
Total, Soil Conservation Service.	132	199,600	132	40,000	159,600	740	147,000	
AGRICULTURAL MARKETING SERVICE								
Marketing research and service: Marketing research and agricultural estimates.	11	16,500	11	3,300	13,200	42	19,000	Research and technical specialists: For use in supervising, directing and carrying out marketing research programs. Field statisticians: Transportation to and from important agricultural areas in the preparation of crop and livestock estimates. Research and technical specialists: For transportation of personnel, material, and commodity samples in carrying out marketing research programs. Market news reporters: For use in gathering and disseminating news of market conditions for various farm crops and livestock. Inspectors and graders: For inspection, classing, and grading of farm products, including work required under the Cotton, Tobacco, Naval Stores, and Grain Standards Acts. Marketing specialists, inspectors, and graders: Transportation to and from warehouses, stockyards, markets, railroad yards, piers, and other places for licensing or registration, supervision of operations of licensees to assure compliance, collection of samples for testing, handling of violations with respect to the administration of the U.S. Warehouse, Federal Seed, Packers, and Stockyards and Naval Stores Acts. Market news reporters and clerks: For transportation of personnel and material in conducting tobacco market news program. Cotton field representatives: For transportation of personnel and material in carrying out classing and market information programs. Inspectors and graders: For use in inspecting and grading farm and food products—paid from funds advanced by producers for which services are performed. Marketing specialists: Transportation to and from offices of produce dealers and truckers in investigating complaints and violations and checking establishments for compliance with license provisions under Perishable Agricultural Commodities and Produce Agency Act—paid from license fees collected. Area supervisors and other officials: For use in supervision and review of school lunch program. Area supervisors and other officials: For transportation in connection with supervision and review of agricultural distribution program. Area supervisors and other officials: For use in supervision and review of special milk program.
Station wagon-----						3		
Marketing services-----	14	21,000	14	4,200	16,800	62	95,000	
Station wagon-----	3	5,850	3	900	4,950	6		
Expenses and refunds, inspection and grading of farm products.	5	7,500	5	1,500	6,000	69	55,000	
Perishable Agricultural Commodities Act fund.							5,000	
School lunch program-----							600	
Removal of surplus agricultural commodities.							2,000	
Special milk program-----							700	
Total, Agricultural Marketing Service.	33	50,850	33	9,900	40,950	182	117,300	
FOREIGN AGRICULTURAL SERVICE								
Salaries and expenses-----							950	Administrator and other officials, for Foreign Agricultural Service: Transportation to and from official conferences and meetings in Washington, D.C., with Members of Congress, U.S. Government officials, and officials of international organizations and of foreign governments; trips to and from embassies of foreign governments for visaing of passports; transportation of foreign trainees. Messengers: Delivery of special or classified mail in the Washington area. Do. Do.
Station wagon-----							575	
Technical cooperation, general, executive (transfer to Agriculture): Station wagon.							575	
Total, Foreign Agricultural Service.							2,100	
COMMODITY STABILIZATION SERVICE								
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938.						2	675	Insular office director and field representatives for travel within Puerto Rico and United States in connection with agricultural conservation, sugar, and other assigned duties.
COMMODITY CREDIT CORPORATION								
Limitation on administrative expenses.							3,825	Travel of field inspectors and commodity office employees in connection with Commodity Credit Corporation and various Commodity Stabilization Service programs.
FARMERS HOME ADMINISTRATION								
Salaries and expenses-----	6	9,000	6	1,500	7,500	20	9,500	State directors and other field officials: Transportation in assisting and advising county supervisors in the investigation of applications, making of loans, rendering farm management assistance to borrowers, and collecting and servicing loans under the various loan programs.

See footnotes at end of table, p. 383.

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961—Continued

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
OFFICE OF THE SECRETARY								
Salaries and expenses.....	1	\$1,500	1	\$400	\$1,100		² \$1,500	Secretary of Agriculture, Under Secretary, Assistant Secretaries, and members of their immediate staffs, as well as heads and other responsible officials of staff offices which comprise the Office of the Secretary: For transportation in District of Columbia.
FOREST SERVICE								
Working capital fund.....	88	132,000	90	27,900	104,100	468	³ 452,000	Forest rangers, forest supervisors, regional foresters and directors, and other field officers: For use in the protection, management, utilization, and development of national forests; and in the management of land utilization projects; transportation in connection with forest pest control activities in the field; for use at research center experimental forests and ranges on field research projects and forest survey; travel in connection with improving forest practices on private forest lands; used in directing and inspecting road construction and maintenance.
Station wagon.....	10	18,350	8	3,350	15,000	63		Do.
Bus.....						4		Do.
Total, Forest Service.....	98	150,350	98	31,250	119,100	535	452,000	
Total, Department of Agriculture.	⁴ 440	669,000	435	157,300	511,700	2,423	1,103,900	

¹ Includes \$5,000 estimated for payments other than to motor pools.² Includes \$500 estimated for payments other than to motor pools.³ Includes \$110,000 estimated for payments other than to motor pools.⁴ Includes 5 vehicles to be purchased from funds advanced by producers for whom services are performed. (See item above for "Expenses and refunds, inspection and grading of farm products.")*Statement of proposed obligations for purchase, maintenance, and operation of aircraft for the fiscal year 1961*

Appropriation	Aircraft to be purchased		Aircraft to be exchanged		Net cost of aircraft to be purchased	Old aircraft still to be used	Cost of maintenance and operation of aircraft	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
AGRICULTURAL RESEARCH SERVICE								
Salaries and expenses: Research.....						3	\$9,000	Technical employees: For experimentation and development of improved equipment and methods for spraying and dusting crops and for fertilizing, seeding, and performing other agricultural operations with airplanes.
Plant and animal disease and pest control.	2	\$34,000	1	\$4,000	\$30,000	5	25,000	Pest control technicians: For demonstrating use of special equipment for suppression of destructive insects attacking crops; and when not otherwise engaged, for supplementing contract aircraft in control operations.
Total, Agricultural Research Service.	2	34,000	1	4,000	30,000	8	34,000	
FOREST SERVICE								
Working capital fund.....	4	175,000	2	14,000	161,000	40	310,000	Forest Service administrative personnel and firefighters: Transportation of men and supplies, including smokejumpers, to inaccessible areas for reconnaissance and suppression of large fires, and for detection services in remote areas. Also for pest control in locating incipient outbreaks of forest insect pests and in appraising the scope and seriousness of infestations in forested areas, and directing and evaluating effectiveness of control operations.
Total, Department of Agriculture.	6	209,000	3	18,000	191,000	48	344,000	

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	5	4	3
Full-time equivalent of all other positions.....	-----	1	1
Average number of all employees.....	6	5	4
Number of employees at end of year.....	4	5	3
Average GS grade and salary.....	12.0 \$10,135	12.5 \$10,734	11.7 \$10,160
01 Personal services:			
Permanent positions.....	46,760	39,745	30,480
Positions other than permanent.....	200	6,000	6,000
Total personal services.....	46,960	45,745	36,480
02 Travel.....	1,417	2,500	3,500
04 Communication services.....	757	1,500	1,500
07 Other contractual services.....	2,718	3,000	4,000
08 Supplies and materials.....	763	1,500	1,500
11 Grants, subsidies, and contributions.....	3,028	3,105	2,870
15 Taxes and assessments.....	6	150	150
Total obligations.....	55,648	57,500	50,000

MISCELLANEOUS

Intragovernmental funds:

CAREER EXECUTIVE BOARD

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Development of a civil service career executive program (total obligations).....	\$19,492	-----	-----
Financing:			
Advances and reimbursements from other accounts.....	19,492	-----	-----

Object Classification

Total number of permanent positions.....	3	-----	-----
Average number of all employees.....	2	-----	-----
Number of employees at end of year.....	4	-----	-----
Average GS grade and salary.....	13.3 \$11,912	-----	-----
01 Personal services:			
Permanent positions.....	\$15,213	-----	-----
Positions other than permanent.....	1,674	-----	-----
Other personal services.....	137	-----	-----
Total personal services.....	17,024	-----	-----
02 Travel.....	1,254	-----	-----
04 Communication services.....	46	-----	-----
07 Other contractual services.....	62	-----	-----
11 Grants, subsidies, and contributions.....	1,106	-----	-----
Total obligations.....	19,492	-----	-----

PRESIDENT'S COMMITTEE ON FUND RAISING WITHIN THE FEDERAL SERVICE

ADVANCES AND REIMBURSEMENTS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
President's Committee on Fund Raising Within the Federal Service (total obligations).....	\$43,173	\$54,000	\$54,000
Financing:			
Advances and reimbursements from other accounts.....	45,000	54,000	54,000
Unobligated balance no longer available.....	-1,827	-----	-----
Total financing.....	43,173	54,000	54,000

Executive Order 10728 established the President's Committee on Fund Raising Within the Federal Service to be responsible for the periodic review of the conduct and operation of the fund raising program.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	4	7	5
Average number of all employees.....	3	5	5
Number of employees at end of year.....	4	5	5
Average GS grade and salary.....	12.8 \$10,103	10.0 \$8,201	10.0 \$8,902
01 Personal services:			
Permanent positions.....	\$36,261	\$45,120	\$44,400
Positions other than permanent.....	257	-----	-----
Other personal services.....	159	350	175
Total personal services.....	36,677	45,470	44,575
02 Travel.....	284	1,280	2,500
04 Communication services.....	466	1,250	1,250
06 Printing and reproduction.....	336	-----	-----
07 Other contractual services.....	262	1,170	1,275
Services performed by other agencies.....	1,340	370	-----
08 Supplies and materials.....	456	1,500	1,500
09 Equipment.....	978	-----	-----
11 Grants, subsidies, and contributions.....	2,368	2,960	2,900
15 Taxes and assessments.....	6	-----	-----
Total obligations.....	43,173	54,000	54,000

GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 201. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year, in accordance with section 16 of the Act of August 2, 1946 (5 U.S.C. 78), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at \$1,500 except station wagons for which the maximum shall be \$1,950.

SEC. 202. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the United States prior to such date, (3) is a person who owes allegiance to the United States, or (4) is an alien from the Baltic countries lawfully admitted to the United States for permanent residence: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony and, upon conviction, shall be fined not more than \$4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

SEC. 203. Appropriations of the executive departments and independent establishments for the current fiscal year, available for expenses of travel or for the expenses of the activity concerned, are hereby made available for living quarters allowances in accordance with the Act of June 26, 1930 (5 U.S.C. 118a), and regulations prescribed thereunder, and cost-of-living allowances similar to those allowed under section 901(2) of the Foreign Service Act of 1946, in accordance with and to the extent prescribed by regulations of the President, for all civilian officers and employees of the Government permanently stationed in foreign countries: *Provided*, That the availability of appropriations made to the Department of State for carrying out the provisions of the Foreign Service Act of 1946 shall not be affected hereby.

SEC. 204. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 205. No part of any appropriation contained in this or any other Act for the current fiscal year shall be used to pay in excess of \$4 per volume for the current and future volumes of the United States Code Annotated, and such volumes shall be purchased on condition and with the understanding that latest published cumulative annual pocket parts issued prior to the date of purchase shall

GENERAL PROVISIONS—Continued

DEPARTMENTS, AGENCIES, AND CORPORATIONS—Continued

be furnished free of charge, or in excess of \$4.25 per volume for the current or future volumes of the Lifetime Federal Digest.

SEC. 206. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to the Government Corporation Control Act, as amended (31 U.S.C. 841), shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 207. No part of any funds of or available to any wholly owned Government corporation shall be used for the purchase or construction, or in making loans for the purchase or construction of any office building, without specific authority in law therefor, primarily for occupancy by any department or agency of the United States Government or by any corporation owned by the United States Government.

SEC. 208. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency con-

cerned: *Provided*, That such credits received as exchange allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury: *Provided further*, That nothing in section 1415 of the Act of July 15, 1952, or in this section shall be construed to prevent the making of new or the carrying out of existing contracts, agreements, or executive agreements for periods in excess of one year, in any case where such contracts, agreements, or executive agreements for periods in excess of one year were permitted prior to the enactment of this Act under section 32(b)(2) of the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1641(b)(2)), and the performance of all such contracts, agreements, or executive agreements shall be subject to the availability of appropriations for the purchase of credits as provided by law.

SEC. 209. No part of any appropriation contained in this Act, or of the funds available for expenditure by any individual, corporation, or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress.

SEC. 210. (a) Section 1311(b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U.S.C. 200(b)), is amended to read as follows: "Hereafter, in connection with the submission of all requests for proposed appropriations to the Bureau of the Budget, the head of each Federal agency shall report that any statement of obligations furnished therewith consists of valid obligations as defined in subsection (a) hereof."

[(b) Section 1(c) of the Act of July 25, 1956 (70 Stat. 648; 31 U.S.C. 701(c)), is amended by striking the words "reported pursuant to section 1311(b) of the Supplemental Appropriation Act, 1955 (68 Stat. 830; 31 U.S.C. 200(b))."] (General Government Matters Appropriation Act, 1960.)

Statement of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year 1961

Appropriation	Motor vehicles to be purchased		Old vehicles to be exchanged		Net cost of vehicles to be purchased	Old vehicles still to be used	Cost of hire of motor vehicles	Users and public purpose
	Number	Gross cost	Number	Allowance (estimate)				
BUREAU OF THE BUDGET								
Salaries and expenses.....							\$2,500	For transportation of officials and staff of the Bureau of the Budget in the Washington area.
COUNCIL OF ECONOMIC ADVISERS								
Salaries and expenses.....							400	For transportation of officials and staff members of the Council of Economic Advisers to departmental offices in Washington.
NATIONAL SECURITY COUNCIL								
Salaries and expenses: Station wagon.....	1	\$1,950	1	\$195	\$1,755	1		For courier service.
OFFICE OF CIVIL AND DEFENSE MOBILIZATION								
Salaries and expenses.....							63,200	In the transaction of official business of the Office, rented General Services Administration motor pool vehicles are assigned as follows: Director (Washington); deputy director (Washington); general needs of the Washington office; executive assistant director and emergency trips in Battle Creek, Mich.; general needs of the Battle Creek, Mich., office; classified location; Olney facility; OCDM Eastern Training Center; OCDM Western Training Center; a total of 25 vehicles will be assigned to the 8 regional offices for use of regional directors and staff.
Total, Executive Office of the President.	1	1,950	1	195	1,755	1	66,100	

INTRODUCTION TO PART III

Part III of the budget contains a summary table on trust and deposit funds, and detailed schedules and explanatory statements on the various trust funds. It excludes the detail on trust fund programs which require annual action by Congress (shown in part II) and the detail on the District of Columbia municipal government funds (contained in a separate budget volume).

TRUST AND DEPOSIT FUNDS DISTINGUISHED

The funds which are covered in this part of the budget are of two types, as follows:

Trust funds are those funds established to account for receipts which are held in trust by the Government for use in carrying out specific purposes and programs in accordance with a trust agreement or a statute. Within the category of trust funds, there is a subcategory of *trust revolving* funds, which are trust funds used to carry on a cycle of business-type operations, including certain corporations which are partly owned by the Government and partly by private interests.

Deposit funds are those funds established to account for collections that are either (a) held in suspense temporarily and later refunded or paid into some other fund of the Government, or (b) held by the Government as banker or agent for others, being paid out in lump sums at the direction of the owner. Such funds are not available for paying salaries, expenses, grants, or other expenditures of the Government.

While the transactions in these groups of funds are a part of the financial program of the Government, trust and deposit funds are not fully owned by the Government; hence these transactions are excluded from budget totals.

TRUST FUND RECEIPTS AND EXPENDITURES

Receipts.—Like budget receipts, trust fund receipts are based upon collections received and deposited, including U.S. Government securities received in lieu of cash and contributions to the trust funds from the general fund. The conversion of U.S. Government securities on hand into cash is excluded from receipts, but such sales and redemptions are listed in special analysis F of part IV on a net basis.

Expenditures.—Like budget expenditures, trust fund expenditures are stated on a checks-issued basis, less refunds collected. Net investments in U.S. Government securities are excluded from the figures, and are listed in special analysis F of part IV.

Trust revolving funds.—The small group of funds which constitute trust revolving funds are reported on a *net* expenditure basis. The collections of trust revolving funds, instead of being taken into the tables as receipts, are deducted from expenditures. The gross figures are shown in a supplementary summary table and in the detailed schedules.

OBLIGATIONAL AUTHORITY FOR TRUST FUNDS

Trust fund receipts must be appropriated before they can be obligated or spent, with the exception of those few

cases where the law grants contract authorization in advance (for example, the highway trust fund).

Most trust funds are appropriated by permanent law, not requiring further action by Congress. Usually the appropriations equal the receipts of the year. In a few cases receipts of trust funds can be spent only in accordance with appropriations enacted by Congress from year to year. Examples are the highway trust fund, funds of the United States Soldiers' Home, and the municipal revenues of the District of Columbia (which are accounted for as trust funds by the Federal Government). In a few other cases, trust fund receipts are permanently appropriated for benefit payments, but limitations on administrative expenses payable out of the trust funds are imposed by annual action of the Congress.

DEPOSIT FUND EXPENDITURES

Table 10 includes deposit fund expenditures by department or agency. These expenditures are on a net basis; that is, the collections are deducted from checks issued, and the resulting figure is shown as an expenditure. Checks issued include those written to move money into other funds, as well as those written for refunds and the return of money to depositors. When the collections are larger than the checks issued, the amount shown as an expenditure is a negative item.

NET ACCUMULATION IN TRUST AND DEPOSIT FUNDS

Table 10 shows the net accumulation during each year in all the trust and deposit funds. This represents the result obtained when the trust and deposit fund expenditures are subtracted from the trust receipts of the year. Since trust and deposit funds, as well as Federal funds, affect the total cash balance of the Treasury and the total public debt, the final figures in table 10 are carried forward into table 4 of part I. Data on the unexpended balances of the largest trust funds are appended to the table.

DETAIL OF TRUST FUND ESTIMATES

The detailed material in part III covers the trust funds which do not require annual action by Congress. Consolidated schedules are used for the smaller trust funds of each bureau or independent agency.

The material here follows the general format of the similar material in part II, with the principal exception that these schedules show receipts in place of showing appropriations. In cases where the receipts are not permanently appropriated as the money is collected, the schedules identify the portion of the unobligated balances on hand which is appropriated and the portion which is unappropriated. Also, no appropriation language appears here, and the narrative statement of program and performance usually consists only of an explanation of the sources of money for the fund, the purposes for which it is authorized to be spent, and the legal citations.

TRUST FUNDS

In 1961, total receipts of the trust funds are estimated at \$22,547 million and expenditures at \$21,278 million, with a resulting net accumulation of \$1,269 million. In each of the major trust funds receipts are expected to exceed expenditures, with the single exception of the Federal National Mortgage Association secondary market operations.

The net accumulation estimated for 1961 compares with an estimated net excess of expenditures over receipts of \$813 million for 1960. This change in the total reflects mainly a shift in three trust funds, Federal old-age and survivors insurance, highway, and unemployment. In 1960 the disbursements of each of these trust funds are estimated to exceed receipts, while the reverse is true in 1961.

TOTAL TRUST FUND TRANSACTIONS

[In millions]

	1959 actual	1960 estimate	1961 estimate
Receipts.....	\$17,084	\$20,696	\$22,547
Expenditures.....	18,597	21,510	21,278
Net accumulation.....	-1,513	-813	1,269

While trust fund transactions are excluded from the budget receipts and expenditures, they nevertheless are a significant part of the program of the Government. For some functions—labor and welfare or commerce and housing—trust fund expenditures represent a larger part of the Government's program than do budget expenditures. Table 5 of part I of this budget shows budget expenditures, trust expenditures, and total Federal payments to the public for 1961.

At the end of this statement is a table showing actual trust and deposit fund expenditures by major function for 10 years, 1950 through 1959, and the estimates for 1960 and 1961.

While there are many separate trust and deposit funds, the bulk of the transactions and the largest amounts of money are in the following trust funds:

TRANSACTIONS OF MAJOR TRUST FUNDS

[In millions]

	1959 actual	1960 estimate	1961 estimate
Federal old-age and survivors insurance:			
Receipts.....	\$8,182	\$10,178	\$11,721
Expenditures.....	9,454	11,196	11,652
Balance in fund at end of year.....	21,541	20,524	20,592
Federal disability insurance:			
Receipts.....	938	1,063	1,068
Expenditures.....	371	563	624
Balance in fund at end of year.....	1,667	2,167	2,641
Railroad retirement:			
Receipts.....	758	1,308	1,059
Expenditures.....	778	1,063	982
Balance in fund at end of year.....	3,649	3,894	3,971
Federal employees retirement funds (civil service and foreign service):			
Receipts.....	1,741	1,707	1,770
Expenditures.....	792	884	986
Balance in funds at end of year.....	9,243	10,066	10,850
Unemployment trust fund:			
Receipts.....	1,997	2,300	2,254
Expenditures.....	3,054	2,384	1,973
Balance in fund at end of year.....	6,716	6,632	6,943
Veterans life insurance funds:			
Receipts.....	698	718	739
Expenditures.....	642	658	652
Balance in funds at end of year.....	6,835	6,944	7,032
Highway trust fund:			
Receipts.....	2,185	2,628	2,970
Expenditures.....	2,769	3,143	2,854
Balance in fund at end of year.....	524	9	105
Federal National Mortgage Association:			
Gross receipts.....	509	1,152	1,136
Gross expenditures.....	643	2,133	1,936
Net trust expenditures.....	134	980	800

Social security insurance and staff retirement programs for retirement, disability, or death.—The first four major trust funds listed provide insurance against the loss of income due to retirement, disability, or death. Payments are made primarily from moneys derived from payroll contributions of employers, employees, and the self-employed. The portion of these receipts not immediately needed for benefit outlays is invested in securities of the Federal Government and earns interest. The first two trust funds are authorized by the Social Security Act of 1935, as amended, and comprise the Federal old-age, survivors, and disability insurance (OASDI) program. An increase in the employer and employee payroll tax rates from 2½% to 3%, which became effective on January 1, 1960, will enable the Federal old-age and survivors insurance trust fund to resume building up reserves.

The railroad retirement system, also established in 1935, is closely coordinated with old-age, survivors, and disability insurance, and serves as a combined social insurance and staff retirement system for workers in the railroad industry. In May 1959 legislation was enacted increasing benefits under the railroad retirement system by approximately 10%. The legislation also provided for an increase in the employer and employee payroll tax rates from 6¼% to 6¾%; this increase will largely eliminate the actuarial deficit under which the system has been operating. Receipts of the Railroad retirement account are abnormally high in 1960 because of a double financial interchange payment from the Federal old-age and survivors insurance trust fund, for both 1959 and 1960.

With the exception of some temporary employees covered under old-age, survivors, and disability insurance or special retirement systems, Federal civilian workers are covered under either the Civil Service Retirement Act or the Foreign Service Retirement Act. Beginning in 1957, Armed Forces personnel have been covered under old-age, survivors, and disability insurance on a contributory basis, as well as under the military retirement system which is financed directly from appropriations from budget funds.

The following table indicates the number of individuals receiving monthly benefits from the trust funds at the end of each year:

[In thousands]

	Federal old-age and survivors insurance	Federal disability insurance	Railroad retirement account	Civil service and foreign service
Retired individuals: ¹				
1959 actual.....	9,404	---	405	246
1960 estimate.....	9,957	---	449	273
1961 estimate.....	10,459	---	465	303
Disabled individuals and their dependents:				
1959 actual.....	64	361	95	93
1960 estimate.....	92	493	96	100
1961 estimate.....	118	592	97	110
Survivors: ²				
1959 actual.....	3,352	---	245	137
1960 estimate.....	3,611	---	255	153
1961 estimate.....	3,862	---	265	170

¹ Includes wives under age 65 with children in their care under old-age and survivors insurance.

² Includes children of retired workers under old-age and survivors insurance.

Unemployment trust fund.—Unemployment insurance was also authorized by the Social Security Act of 1935, as amended. Payroll taxes paid by employers under State laws and the Federal Unemployment Tax Act or under the Railroad Unemployment Act are deposited in the unemployment trust fund. The States and the Railroad

Retirement Board draw upon this fund to pay weekly benefits to eligible unemployed workers. Commencing in 1959, the Railroad Retirement Board is also drawing upon the Unemployment trust fund for its unemployment insurance administrative expenses and the portion of the taxes earmarked for this purpose is being deposited in the fund. Prior to 1959, a separate trust fund was maintained for this purpose.

Benefits paid by the States and the Railroad Retirement Board are expected to be at a lower level in 1961 than in 1960. In 1960, benefit payments were increased as a result of the secondary effects of the steel strike.

At present, under the Federal Unemployment Tax Act an employment tax of 0.3% is used chiefly for grants to States for administering unemployment compensation benefits as well as employment services. The receipts from this tax and the expenditures for the grants are included in budget funds. Legislation has been proposed to convert these transactions entirely to a trust fund operation, so that the administration of the regular State unemployment compensation program will be financed similarly to the old-age, survivors, and disability insurance and the railroad retirement and railroad unemployment compensation programs. This proposed change would affect both budget receipts and expenditures equally. This trust fund also includes the Federal unemployment account from which loans can be made to State reserve funds under specified conditions, but does not include the temporary unemployment compensation program which expired June 30, 1959; benefits under this program were financed from the general fund.

Veterans life insurance.—The National service life insurance fund and the United States Government life insurance fund, operated largely on a commercial basis, provide life insurance held primarily by veterans of the two World Wars. Receipts comprise premiums, interest on investments, and transfers from Federal Government budget funds to cover losses resulting from war hazards. Expenditures include payments of dividends, of death and disability claims, and of equities in policies in force. In 1961, an estimated \$256 million in dividend payments will be made on 5.5 million policies in force, and \$467 million will be paid for death and disability claims and for cash surrenders and matured endowments.

The foregoing does not include reference to two additional insurance funds, the Service-disabled veterans insurance fund and the Veterans special term insurance fund, which are classified as public enterprise rather than trust funds.

Highway trust fund.—Receipts from certain excise taxes on motor fuels, tires, and trucks are used to finance expenditures (primarily grants to the States) for Federal-aid highways.

The Highway Act of 1959 increased motor fuel taxes deposited in the trust fund by 1 cent per gallon, to 4 cents per gallon, for the period October 1, 1959, through June 30, 1961. In addition, effective July 1, 1961, and extending through June 30, 1964, half of the present excise tax on passenger automobiles and five-eighths of the present excise tax on parts and accessories are scheduled for diversion from the general fund to the trust fund. The additional 1 cent tax is estimated to yield approximately \$590 million in 1961; the diversion would yield about \$850 million on a full-year basis.

In order to permit highway construction for the Interstate System to proceed at a higher level, the budget message recommends a further increase of one-half cent per gallon in the highway fuel tax until at least June 30, 1964. Repeal of the provisions diverting excise taxes from the general fund is also requested.

Federal National Mortgage Association secondary market operations.—In the secondary market part of its operations, the Association buys and sells federally insured or guaranteed mortgages at prices prevailing in the market. These operations are self-supporting in accordance with statutory objectives. Funds required for mortgage purchases in 1961 will be obtained: (a) from private sources through the sale of the Association's debentures; (b) through mortgage sales and repayments; (c) through the purchases of common stock which are required of all mortgage sellers; and (d) by purchases of preferred stock by the Treasury in accordance with the statutory requirement that the Association maintain a minimum ratio of capital to debt of 1 to 10. Net trust expenditures, which are estimated to increase substantially to \$980 million in 1960 reflecting increased mortgage purchase activity, are expected to decline in 1961 to \$800 million.

TRUST AND DEPOSIT FUND EXPENDITURES BY MAJOR FUNCTION

ACTUAL THROUGH 1959

[In millions]

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
Major national security.....	\$51	\$34	\$144	\$126	\$146	\$164	\$143	\$93	\$344	\$229	\$293	\$333
International affairs and finance.....	46	-6	97	9	3	7	4	5	15	12	16	14
Veterans services and benefits.....	3,125	695	1,095	669	779	628	606	608	671	651	667	664
Labor and welfare.....	3,370	3,058	3,816	4,594	6,079	7,476	8,067	9,647	12,854	14,392	16,049	16,159
Agriculture and agricultural resources.....	24	12	17	22	11	22	29	148	244	83	19	18
Natural resources.....	20	15	15	15	16	20	23	33	32	35	38	36
Commerce and housing.....	-6	-23	-3	1	(*)	-86	118	1,934	1,713	2,842	4,151	3,723
General government.....	188	222	208	228	286	258	216	268	293	360	412	443
Interest.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Adjustment to daily Treasury statement basis.....	68	190	83	95	-	-	-	-	-	-	-	-
Deposit funds, net ¹	77	-544	-160	-471	-115	57	229	225	-97	-8	-135	-111
Total.....	6,964	3,654	5,317	5,288	7,204	8,546	9,436	12,961	16,069	18,597	21,510	21,278

¹ Excludes deposit funds of Government-sponsored enterprises. These have been adjusted for consistency with present treatment and allocated to the appropriate function above.

*Less than one-half million.

TABLE 10
TRUST RECEIPTS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Legislative branch:							
Library of Congress:							
Gift and trust fund income accounts:							
Cataloging project, Copyright Office.....	500	\$8	\$1		\$6	\$8	
Gift fund.....	200	827	400	\$300	669	528	\$383
Income from investment account.....	200	21	15	15	26	19	19
Payment of interest on bequest of Gertrude M. Hubbard.....	650	1	1	1	1	2	2
Payment of interest on permanent loan.....	650	171	178	179	123	195	205
Service fees.....	200	566	570	580	545	585	595
Principal accounts, permanent loans.....	200	687					
Total, legislative branch.....		2,280	1,165	1,075	1,371	1,337	1,204
The judiciary:							
Judicial survivors annuity fund.....	600	486	537	551	332	352	350
Funds appropriated to the President:							
Mutual security:							
Advances, Mutual Security Act.....	060	243,530	285,000	350,000	218,695	256,000	328,000
Advances for economic assistance.....	150					2	
Philippine assistance.....	150				539	182	1
Technical assistance, United States dollars advanced from foreign governments.....	150	346	350	350	1,049	1,100	630
President's special international program, contributions.....	150	401	211		912	324	
Total, funds appropriated to the President.....		244,278	285,561	350,350	221,195	287,608	328,631
Independent offices:							
American Battle Monuments Commission: Contributed flower fund.....	100	2	2	2	2	2	2
Civil Service Commission:							
Civil service retirement and disability fund:							
Deductions from employees' salaries, etc.....	200	748,677	721,760	721,760	788,603	880,740	983,049
Federal contribution.....	200			46,329			
Interest and profits on investments.....	200	219,749	245,000	261,209			
Payments from other funds: Employing agency contributions.....	200	754,129	721,760	721,760			
Voluntary contributions, donations, service credit payments, etc.....	200	13,046	13,000	13,000			
Total, Civil service retirement and disability fund.....		1,735,602	1,701,520	1,764,058	788,603	880,740	983,049
Employees health benefits fund.....	200					—50	—18,256
Employees life insurance fund.....	200				—58,378	—43,339	—43,000
Total, Civil Service Commission.....		1,735,602	1,701,520	1,764,058	730,225	837,351	921,793
Farm Credit Administration: Operating fund, Federal intermediate credit banks.....	350				55,359		
Federal Aviation Agency:							
Expenses of foreign students.....	500	6	12		4	14	
Gifts and donations.....	500	333	8		267	270	80
Total, Federal Aviation Agency.....		339	20		271	284	80
Federal Communications Commission: International telecommunication settlements.....	500				—27	15	
Foreign Claims Settlement Commission: War claims fund.....	600	3,750			3,412	89	61
General Accounting Office: Proceeds from estates of American citizens who die abroad.....	600					1	1
National Capital Housing Authority: Operation and maintenance, properties aided by Public Housing Administration.....	500				—3,310	3,030	100
National Capital Planning Commission: Contributed fund.....	600	108	400	250	126	632	250
National Science Foundation: Donations.....	200	2	3	3	1		
Railroad Retirement Board:							
Railroad retirement account:							
Financial interchange with Federal old-age and survivors insurance trust fund.....	200	124,441	566,548	277,500	777,588	1,062,880	982,000
Interest and profit on investments.....	200	108,629	110,308	114,200			
Interest on loans to Railroad unemployment insurance account.....	200		1,000	2,300			
Railroad retirement taxes.....	200	525,220	630,000	660,000			
Repayment of loan from Railroad unemployment insurance account.....	200			5,000			
Limitation on Railroad unemployment insurance administration fund.....		(8,464)	(9,555)	(8,747)			
Total, Railroad Retirement Board.....		758,290	1,307,856	1,059,000	777,588	1,062,880	982,000
Smithsonian Institution: Canal Zone biological area fund.....	200	19	14	14	11	22	18
United States Information Agency: United States dollars advanced from foreign governments.....	150	7	10	10	51	17	10

TABLE 10—Continued
TRUST RECEIPTS AND EXPENDITURES—Continued
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Independent offices—Continued							
Veterans Administration:							
Adjusted-service certificate fund.....	100				\$825	\$235	\$235
General post fund, national homes.....	100	\$1,607	\$1,598	\$1,595	2,496	1,890	1,625
National service life insurance fund:							
Interest on investments.....	100	634,314	660,146	682,760	562,052	581,912	579,900
Payments from general and special funds.....	100						
Premium and other receipts.....	100						
United States Government life insurance fund:							
Interest on investments.....	100	63,352	57,828	56,631	79,582	76,233	71,846
Premiums and other receipts.....	100						
Total, Veterans Administration.....		699,273	719,572	740,986	644,954	660,320	653,606
Total, independent offices.....		3,197,391	3,729,397	3,564,323	2,208,663	2,564,643	2,557,921
General Services Administration:							
Real property activities: Advances for construction services.....	600		600	9,375		200	2,000
Personal property activities: Advances from international organizations, Mutual Security Act.....	150				85		
Records activities:							
National Archives gift fund.....	600	67	65	65	57	86	87
National Archives trust fund.....	600				—5	—4	—4
Total, General Services Administration.....		67	665	9,440	136	282	2,083
Housing and Home Finance Agency:							
Federal National Mortgage Association: Secondary market operations fund.....	500				134,018	980,373	800,000
Department of Agriculture:							
Agricultural Research Service:							
Expenses and refunds, inspection and grading of farm products.....	350	405	245	245	400	245	245
Expenses, feed and attendants for animals in quarantine.....	350	37	20	30	23	28	30
Miscellaneous contributed funds.....	350	296	468	342	276	530	350
Extension Service: Miscellaneous contributed funds.....	350	7	7	7	5	7	7
Soil Conservation Service:							
Technical services and other assistance, agricultural conservation program.....	350	863			4,300		
Miscellaneous contributed funds.....	350	246	211	300	261	290	300
Agricultural Marketing Service:							
Expenses and refunds, inspection and grading of farm products.....	350	17,289	17,414	17,703	16,940	17,465	17,913
Miscellaneous contributed funds.....	350	91	50	32	100	70	32
Foreign Agricultural Service: Miscellaneous contributed funds.....	350	4	4		3	5	
Commodity Stabilization Service: Miscellaneous contributed funds.....	350	34	16	9	55	41	16
Farmers Home Administration: State rural rehabilitation funds.....	350				4,982	588	—1,151
Office of Information: Miscellaneous contributed funds.....	350		21		2	21	
Forest Service:							
Cooperative work.....	400	17,407	18,500	19,000	15,682	17,950	18,000
Technical services and other assistance, agricultural conservation program.....	400				9		
Miscellaneous contributed funds.....	400				10	8	2
Total, Department of Agriculture.....		36,678	36,956	37,668	43,049	37,248	35,744
Department of Commerce:							
Bureau of Census: Special statistical work.....	200	1,369	1,264	1,500	1,561	1,480	1,490
Business and Defense Services Administration:							
Expenses, transcripts of studies, tables, and other records.....	500	420	452	452	266	452	452
Special statistical work.....	500	13	10	10	11	10	10
Maritime activities:							
Federal ship mortgage insurance escrow fund.....	500		68,289	81,415		7,191	42,607
United States Merchant Marine Academy, Kings Point, N.Y., donations for chapel and library.....	500	59	32	5	49	669	5
Bureau of Public Roads:							
Highway trust fund:							
Federal-aid highways.....	500				2,612,576	3,028,000	2,689,000
Interest.....	500	13,584	1,000				
Taxes.....	500	2,171,016	2,627,000	2,984,000			
Refunds and interest on general fund advance.....	500				96,900	115,000	133,000
Proposed legislation:							
Forest and public lands highways.....	500						39,000
Other, net.....	500			—34,000			—7,000
Advances from Alaska, public roads.....	500		15,000	25,000		15,166	25,000
Contributed funds, highways for Alaska.....	500	1,463			1,500		
Contributions for highway research program.....	500	10			4	6	

TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Department of Commerce—Continued							
Bureau of Public Roads—Continued							
Cooperative work, forest highways.....	500	\$502	\$300	\$200	\$78	\$733	\$300
Equipment, supplies, etc., for cooperating countries.....	150	4,985	5,000	5,000	5,761	5,538	5,100
Funds contributed for improvement of roads, bridges, and trails, Alaska.....	500	95			47	48	
Technical assistance, United States dollars advanced from foreign governments.....	150	5,617	4,500	3,500	2,411	5,368	5,800
National Bureau of Standards: Gifts and bequests.....	200	96	75	50	152	90	86
Weather Bureau: Special statistical work.....	600	64	50	50	63	52	50
Total, Department of Commerce.....		2,199,293	2,722,972	3,067,182	2,721,380	3,179,803	2,934,900
Department of Defense—Military:							
Advances for supplies and expenses, United Nations Korean Reconstruction Agency, Army.....	060				15	4	
General gift fund, Army.....	060	8	6	6	26	10	8
Kermit Roosevelt fund, Army.....	060	1	1	1	2	3	3
National Guard armory construction, State-contributed funds, Army.....	060					2	
Transportation, international refugee organization, Army.....	060	3					
General gift fund, Navy.....	060	—1	10	10	1	10	10
Naval reservation, Olongapo civil fund.....	060	839	371		811	420	
Office of Naval Records and library fund.....	060	17	14	14			
Ships' stores profits, Navy.....	060	10,415	7,000	5,000	9,775	7,000	5,000
United States Naval Academy general gift fund.....	060	5	3	3	2	2	2
United States Naval Academy museum fund.....	060	1	1	1		1	1
General gift fund, Air Force.....	060	51	8	1	17	12	10
Total, Department of Defense—Military.....		11,339	7,414	5,036	10,649	7,464	5,034
Department of Defense—Civil:							
Rivers and harbors and flood control, Department of the Army:							
Rivers and harbors advance fund.....	400	32			338	32	
Rivers and harbors contributed fund.....	400	12,244	7,800	10,332	13,265	12,000	11,000
Advances and reimbursements.....	400				1	1	
United States Soldiers' Home:							
Limitation on operation and maintenance and capital outlay.....	100				6,396	7,065	10,661
Soldiers' Home permanent fund.....	100	11,512	10,543	9,343			
Payment of claims.....	100				21	21	21
Soldiers' Home revolving fund.....	100				—10	4	—5
Total, Department of Defense—Civil.....		23,788	18,343	19,675	20,011	19,123	21,677
Department of Health, Education, and Welfare:							
Freedmens' Hospital:							
Conditional gift fund.....	200	1			1	2	
Unconditional gift fund.....	200					7	
Public Health Service:							
Patients' benefit fund.....	200	37	25	25	32	25	25
Conditional gift fund.....	200	88	43	14	58	90	30
Unconditional gift fund.....	200	27	23	17	2	18	5
Saint Elizabeths Hospital:							
Patients' benefit fund.....	200	1			1	1	1
Conditional gift fund.....	200	9	9	10	1	9	9
Total, Department of Health, Education, and Welfare.....		164	100	66	95	152	70
Department of the Interior:							
Bonneville Power Administration: Construction of electric transmission lines and substations, contributions, Bonneville power project.....	400	869	319		352	765	750
Bureau of Land Management:							
Contributed funds.....	400	712	700	700	561	622	658
Expenses, public survey work.....	400	48	50	50	44	35	43
Trustee funds, Alaska townsites.....	400	17	25	25	30	35	98
Bureau of Indian Affairs:							
Indian moneys, proceeds of labor, agencies, schools, etc.....	600	3,937	3,000	3,000	4,082	3,050	3,000
Indian tribal funds.....	600	97,423	70,180	115,180	57,493	70,000	110,000
Bureau of Reclamation: Reclamation trust funds.....	400	385	445	275	606	506	300
Geological Survey: Advances, authorized services.....	400	1,594	1,500	1,500	1,438	1,500	1,500
Bureau of Mines: Contributed funds.....	400	933	980	870	761	920	900

TABLE 10—Continued

TRUST RECEIPTS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Department of the Interior—Continued							
National Park Service:							
Donations.....	400	\$1, 215	\$650	\$400	\$360	\$1, 700	\$750
Jefferson National Expansion Memorial, contribution.....	400	880	500	287	1	1, 000	500
National park trust fund.....	400	26	5	5	-----	4	4
Preservation, birthplace of Abraham Lincoln.....	400	2	2	2	2	3	2
Fish and Wildlife Service:							
Bureau of Sport Fisheries and Wildlife: Contributed funds.....	400	184	68	68	105	130	90
Bureau of Commercial Fisheries:							
Contributed funds.....	400	865	841	846	896	853	847
Inspection and grading of fishery products.....	400	107	174	256	47	140	205
Total, Department of the Interior.....							
		109, 198	79, 439	123, 464	66, 778	81, 268	119, 647
Department of Justice:							
Federal Prison System: Commissary funds.....	200	-----	-----	-----	—57	26	20
Office of Alien Property:							
Alien property fund, World War II.....	600	-----	-----	-----	4, 255	—1, 048	—166
Alien property fund, Philippines, World War II.....	150	-----	-----	-----	31	958	2, 055
International Claims Settlement Act, title II fund.....	600	-----	-----	-----	1, 237	1, 879	515
Total, Department of Justice.....							
		-----	-----	-----	5, 467	1, 815	2, 424
Department of Labor:							
Office of the Secretary: Advances from international organizations, Mutual Security Act.....	150	7	-----	-----	7	-----	-----
Bureau of Employees' Compensation:							
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended.....	600	27	26	25	105	83	72
Relief and rehabilitation, Workmen's Compensation Act, within the District of Columbia.....	600	6	6	6	3	3	3
Advances and reimbursements.....	600	-----	-----	-----	—1	-----	—2
Bureau of Labor Statistics: Special statistical work.....	200	51	32	-----	59	40	8
Bureau of Employment Security: Salaries and expenses.....	200	-----	-----	-----	414	-----	-----
Total, Department of Labor.....							
		91	64	31	587	126	81
Department of State:							
Foreign Service retirement and disability fund: General fund:							
Employer's contribution.....	200	2, 025	2, 360	2, 540	2, 989	3, 164	3, 383
Employees' contributions.....	200	2, 192	2, 202	2, 258			
Interest on investments.....	200	1, 031	1, 129	1, 231			
Total, Foreign Service retirement and disability fund.....							
		5, 248	5, 691	6, 029	2, 989	3, 164	3, 383
Foreign Service Institute unconditional gift fund.....	150	-----	-----	-----	28	2	-----
Educational exchange:							
Education of Iranian students in the United States.....	150	-----	-----	-----	1	5	3
United States dollars advanced from foreign governments.....	150	673	200	200	692	206	206
Other: Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation.....	150	1	39	40	-----	30	30
Total, Department of State.....							
		5, 922	5, 930	6, 269	3, 710	3, 407	3, 622
Treasury Department:							
Office of the Secretary:							
Federal disability insurance trust fund:							
Taxes.....	200	846, 681	923, 000	972, 000	-----	-----	-----
Deposits by States.....	200	58, 064	60, 000	62, 000	-----	-----	-----
Interest on investments.....	200	33, 734	48, 527	61, 452	-----	-----	-----
Payment from railroad retirement account.....	200	-----	26, 480	2, 500	-----	-----	-----
Benefit payments.....	200	-----	-----	-----	339, 231	520, 000	576, 000
All other.....	200	-----	-----	-----	31, 601	42, 689	47, 836
Total, Federal disability insurance trust fund.....							
		938, 480	1, 063, 007	1, 097, 952	370, 832	562, 689	623, 836
Federal old-age and survivors insurance trust fund:							
Taxes.....	200	7, 157, 674	9, 164, 000	10, 693, 000	-----	-----	-----
Deposits by States.....	200	481, 092	500, 000	515, 000	-----	-----	-----
Interest on investments.....	200	542, 979	513, 000	512, 389	-----	-----	-----
Other receipts.....	200	597	894	1, 034	-----	-----	-----
Benefit payments.....	200	-----	-----	-----	9, 049, 146	10, 346, 000	11, 086, 000
All other.....	200	-----	-----	-----	404, 372	849, 790	565, 698
Total, Federal old-age and survivors insurance trust fund.....							
		8, 182, 342	10, 177, 894	11, 721, 423	9, 453, 518	11, 195, 790	11, 651, 698

TABLE 10—Continued
 TRUST RECEIPTS AND EXPENDITURES—Continued
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Treasury Department—Continued							
Office of the Secretary—Continued							
Pershing Hall memorial fund.....	600	\$5	\$5	\$5	—\$7	\$5	\$5
Unemployment trust fund:							
Deposits by States.....	200	1,700,575	1,850,000	1,900,000			
Deposits by Railroad Retirement Board.....	200	102,014	150,000	170,000			
Interest on investments.....	200	186,908	189,000	190,000			
Transfer of receipts from railroad unemployment insurance administration fund.....	200	7,874	9,400	9,800			
Borrowings from railroad retirement account.....	200		102,000				
General fund: "Payment to unemployment trust fund," Treasury Department.....	200			14,535			
Withdrawals by States.....	200				2,796,920	2,100,000	1,800,000
All other.....	200				256,969	284,220	173,260
Total, unemployment trust fund.....		1,997,370	2,300,400	2,284,335	3,053,889	2,384,220	1,973,260
Bureau of Accounts:							
Bulgarian claims fund.....	600	144	200	200	41	2,000	536
Czechoslovakian claims fund.....	600		8,541			200	1,500
Hungarian claims fund.....	600	448	950			1,153	585
Italian claims fund.....	600				248	3,022	50
Mexican claims fund.....	600				2	10	10
Rumanian claims fund.....	600	1,568	200	100	251	15,000	4,605
Soviet claims fund.....	600				357	6,000	769
Yugoslav claims fund.....	600				4	50	336
Losses in melting gold.....	600	6	5	5		1	1
National defense conditional gift fund.....	060	20			42		
Payment of pre-1934 bonds of the Government of the Philippines.....	600	109	80	40	200	3,252	293
Payment of unclaimed moncys.....	600	236	200	200	56	60	60
Unclaimed moneys of individuals whose whereabouts are known.....	600	7			7		
Adjustment in increment from reduction in weight of gold dollar.....	600	—135,616					
Bureau of Customs:							
Refunds, transfers, and expenses of operation, Puerto Rico.....	600	8,680	9,000	9,300	8,379	9,000	9,000
Refunds, transfers, and expenses of operation, Virgin Islands.....	600	489	525	550	465	525	550
Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods.....	600	295	325	325	356	325	325
Internal Revenue Service: Expenses, Treasury Department, enforcement title III,							
National Prohibition Act, as amended, Puerto Rico and Virgin Islands.....	600	110			138	30	
Coast Guard: General gift fund.....	500	5	5	5	4	12	5
Total, Treasury Department.....		10,994,699	13,561,337	15,114,440	12,883,783	14,183,344	14,267,424
District of Columbia:							
Revenue.....	600	183,892	212,660	199,304	278,497	296,580	307,863
Payment from general fund, Federal payment.....	600	74,759	33,918	47,733			
Total, District of Columbia.....		258,651	246,578	247,037	278,497	296,580	307,863
Deposit funds:							
Legislative branch.....					—22		
The judiciary.....					2		
Executive Office of the President.....					—54	100	100
Funds appropriated to the President.....					—974	—378	—294
Independent offices:							
Atomic Energy Commission.....					—223		
Civil Service Commission.....					—458	750	
Farm Credit Administration.....					—6,845	—6,800	—6,800
Federal Aviation Agency.....					—2,315	2,000	2,000
Federal Home Loan Bank Board.....					—7,362		
National Aeronautics and Space Administration.....					—527	—200	—300
Veterans Administration.....					—5,744	—4,500	—4,500
Other.....					—2,729	340	—397
General Services Administration.....					—2,066	1,400	—200
Housing and Home Finance Agency.....					—389		
Department of Agriculture.....					—7,525	—1,767	—1,969
Department of Commerce.....					4,047	3,500	3,500
Department of Defense—Military.....					7,179	10,000	—10,000
Department of Defense—Civil.....					—8,735	—7,744	—8,744
Department of Health, Education, and Welfare.....					—1,003	—930	—930
Department of the Interior.....					9,207	—150,000	—100,000
Department of Justice.....					—1,229	—1,258	—1,277
Department of Labor.....					—288	—300	
Post Office Department.....					—907		
Department of State.....					—2,387	2,000	250

TABLE 10—Continued
TRUST RECEIPTS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Deposit funds—Continued							
Treasury Department.....					\$21, 439	\$18, 600	\$18, 600
District of Columbia.....					2, 399	88	—60
Total, trust fund receipts and expenditures.....		\$17, 084, 325	\$20, 696, 458	\$22, 546, 607	18, 597, 213	21, 509, 826	21, 277, 684
Deduct trust fund expenditures.....		18, 597, 213	21, 509, 826	21, 277, 684			
Net accumulation in trust funds.....		—1, 512, 888	—813, 368	1, 268, 923			
Net increase or decrease (—) in cash balances due to trust fund debt and investment transactions (from special analysis F).....		1, 282, 739	771, 545	—969, 157			
Increase or decrease (—) in cash balances resulting from trust fund operations.....		—230, 149	—41, 823	299, 766			
RECAPITULATION							
Trust funds:							
Existing legislation.....		\$17, 084, 325	\$20, 696, 458	\$22, 580, 607	\$18, 604, 721	\$21, 644, 925	\$21, 356, 705
Proposed legislation.....				—34, 000			32, 000
Deposit funds, net:							
Purchase of U.S. securities (quasi-governmental enterprises).....					—68, 451		
Sales and redemptions of obligations in the market (quasi-governmental enterprises).....					—1, 222, 012	—135, 099	—111, 021
Other.....					1, 282, 955		
Total, trust fund receipts and expenditures.....		17, 084, 325	20, 696, 458	22, 546, 607	18, 597, 213	21, 509, 826	21, 277, 684

SUMMARY OF MAJOR TRUST FUND BALANCES AVAILABLE AT START OF YEAR

[In thousands. Including U.S. securities]

	1959	1960	1961	1962
Federal disability insurance trust fund.....	\$1, 098, 973	\$1, 666, 621	\$2, 166, 939	\$2, 641, 055
Federal employees retirement funds.....	8, 293, 802	9, 243, 059	10, 066, 367	10, 850, 022
Federal old-age and survivors insurance trust fund.....	22, 812, 600	21, 541, 424	20, 523, 528	20, 592, 254
Highway trust fund.....	1, 048, 534	523, 657	8, 657	104, 657
Railroad retirement account.....	3, 668, 223	3, 648, 925	3, 893, 901	3, 970, 901
Secondary market operations fund.....	61, 694	52, 616	52, 117	52, 117
Unemployment trust fund.....	7, 772, 672	6, 716, 153	6, 632, 333	6, 943, 408
Veterans life insurance funds.....	6, 828, 539	6, 884, 571	6, 944, 349	7, 031, 994
Total.....	51, 585, 037	50, 277, 026	50, 288, 191	52, 186, 408

EXPENDITURES AND APPLICABLE RECEIPTS OF TRUST REVOLVING FUNDS

[In thousands]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			NET TRUST EXPENDITURES		
		1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
Independent offices:										
Civil Service Commission:										
Employees health benefits fund.....	200		\$788	\$238,899		\$838	\$257,155		-\$50	-\$18,256
Employees life insurance fund.....	200	\$79,564	84,455	87,343	\$137,942	127,794	130,343	-\$58,378	-43,339	-43,000
Farm Credit Administration: Operating fund, Federal intermediate credit banks.....	350	1,747,544			1,692,185			55,359		
Federal Communications Commission: International telecommunications settlements.....	500	225	263	248	252	248	248	-27	15	
National Capital Housing Authority: Operation and maintenance, properties aided by Public Housing Administration.....	500	73,974	30,695	23,026	77,285	27,665	22,926	-3,310	3,030	100
General Services Administration:										
Records activities: National Archives trust fund.....	600	153	183	186	158	187	191	-5	-4	-4
Housing and Home Finance Agency:										
Federal National Mortgage Association: Secondary market operations fund.....	500	643,176	2,132,872	1,936,318	509,157	1,152,499	1,136,318	134,018	980,373	800,000
Department of Agriculture:										
Farmers Home Administration: State rural rehabilitation funds.....	350	14,190	8,482	5,111	9,207	7,893	6,262	4,982	588	-1,151
Department of Defense—Civil:										
United States Soldiers' Home: United States Soldiers' Home revolving fund.....	100	98	113	115	108	109	120	-10	4	-5
Department of Justice:										
Federal Prison System: Commissary funds, Federal prisons.....	200	1,927	1,926	1,970	1,985	1,900	1,950	-57	26	20
Office of Alien Property:										
Alien property fund, World War II.....	600	15,966	10,008	5,838	11,711	11,056	6,004	4,255	-1,048	-166
Alien property fund, Philippines, World War II.....	150	75	1,925	2,320	44	967	265	31	958	2,055
International Claims, Settlement Act, title II fund.....	600	2,109	2,619	515	872	740		1,237	1,879	515
Total, trust revolving funds.....		2,579,001	2,274,329	2,301,889	2,440,906	1,331,896	1,561,782	138,095	942,433	740,107

HOUSING AND HOME FINANCE AGENCY—Con.
FEDERAL NATIONAL MORTGAGE ASSOCIATION—Con.
SECONDARY MARKET OPERATIONS FUND (TRUST REVOLVING FUND)—Continued

Sources and Application of Funds (Operations)—Continued			
	1959 actual	1960 estimate	1961 estimate
Receipts from operations (funds provided)—Continued			
General fund financing:			
Borrowing from Treasury	\$307,311,970	\$940,000,000	\$800,000,000
Issuance of preferred stock			50,000,000
Total receipts from operations	509,157,370	1,152,498,745	1,136,318,000
Trust expenditures	134,018,344	980,373,290	800,000,000

Revenue, Expense, and Retained Earnings			
Revenue	\$70,482,174	\$111,683,438	\$166,015,000
Expense	49,601,087	88,909,000	145,587,000
Net income before income tax equivalent	20,881,087	22,774,438	20,428,000
Income tax equivalent	10,852,665	11,837,000	10,617,000
Net income for the year	10,028,422	10,937,438	9,811,000
Analysis of retained earnings:			
Retained earnings, beginning of year	10,257,081	17,129,206	23,921,644
Dividends:			
On preferred stock held by Treasury (—)	—2,300,000	—2,645,000	—3,510,000
On common stock held by public (—)	—856,297	—1,500,000	—2,104,000
Retained earnings, end of year	17,129,206	23,921,644	28,118,644
The above is distributed as follows:			
Trust investment	\$4,994,460	\$7,462,563	\$9,140,213
Government investment	12,134,746	16,459,081	18,978,431

Financial Condition			
Assets:			
Cash with Treasury	\$52,588,290	\$52,090,000	\$52,090,000
U.S. securities: Federal Housing Administration debentures on hand	27,300	27,300	27,300
Accounts receivable, net	10,323,338	15,100,000	21,300,000
Deferred charges	2,343,569	2,375,000	2,100,000
Loans receivable, net: Federal Housing Administration insured and Veterans Administration guaranteed mortgages	1,510,248,562	2,484,873,000	3,368,448,000
Total assets	1,575,531,059	2,554,465,300	3,443,965,300
Liabilities:			
Current liabilities	40,033,319	51,139,803	65,752,803
Deferred income—premium on sale of debentures to public	958,646	780,000	600,000
Debentures payable	1,290,125,000	2,270,000,000	3,070,000,000
Total liabilities	1,331,116,965	2,321,919,803	3,136,352,803
Trust investment:			
Common stock issued or subscribed:			
Start of year	36,523,587	42,933,548	65,803,548
Increase during year	6,409,961	22,870,000	20,870,000
End of year	42,933,548	65,803,548	86,673,548
Retained earnings	4,994,460	7,462,563	9,140,213
Total trust investment	47,928,008	73,266,111	95,813,761
Government investment:			
Interest-bearing capital:			
Start of year		41,531,035	
Borrowings from Treasury during year, net	41,531,035	—41,531,035	
End of year	41,531,035		
Non-interest-bearing capital (preferred stock issued):			
Start of year	142,820,305	142,820,305	142,820,305
Issued during year			50,000,000
End of year	142,820,305	142,820,305	192,820,305
Retained earnings	12,134,746	16,459,081	18,978,431
Total non-interest-bearing capital	154,955,051	159,279,386	211,798,736
Total Government investment	196,486,086	159,279,386	211,798,736
Total trust and Government investment	244,414,094	232,545,497	307,612,497

Status of Certain Fund Balances				
	1958 actual	1959 actual	1960 estimate	1961 estimate
Unexpended balance:				
Cash and U.S. securities	\$61,693,934	\$52,615,590	\$52,117,300	\$52,117,300
Authorization to expend from debt receipts:				
Authorization to expend from public debt receipts (general fund)	2,315,000,000	2,273,468,965	2,315,000,000	2,265,000,000
Portion available only as corporate debt to the public is retired (—)	—1,165,185,000	—1,290,125,000	—2,270,000,000	—3,070,000,000
Amount in excess of authorization to expend from public debt receipts	296,009,730	428,830,590	725,454,970	976,124,970
Authorization to expend from debt receipts	1,445,824,730	1,412,174,555	770,454,970	171,124,970
Total unexpended balance	1,507,518,664	1,464,790,145	822,572,270	223,242,270
Obligated balance, net:				
Current liabilities	48,396,287	40,033,319	51,139,803	65,752,803
Mortgage purchase commitments	74,590,302	116,976,597	100,000,000	100,000,000
Accounts receivable, net (—)	—8,027,708	—10,323,338	—15,100,000	—21,300,000
Total obligated balance	114,958,881	146,686,578	136,039,803	144,452,803
Unobligated balance	1,392,559,783	1,318,103,567	686,532,467	78,789,467

NOTE.—Preferred stock authorized but not issued as follows: 1958, \$65,000,000; 1959, \$65,000,000; 1960, \$65,000,000; 1961, \$15,000,000.

DEPARTMENT OF AGRICULTURE
AGRICULTURAL RESEARCH SERVICE
AGRICULTURAL RESEARCH SERVICE TRUST FUNDS

Program and Financing			
	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Expenses and refunds, inspection and grading of farm products:			
(a) Inspection and certification of animal foods and inedible agricultural products in interstate and foreign commerce	\$100,759	\$62,000	\$62,000
(b) Identification and certification service for meat and other products	75,755	65,000	65,000
(c) Contract specification work on meat and meat food products	225,176	118,000	118,000
2. Expenses, feed and attendants for animals in quarantine	24,950	35,209	30,000
3. Miscellaneous contributed funds	276,596	523,380	356,439
4. Prior year advances returned	6,686	698	
Total program costs	709,922	804,287	631,439
5. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (—)	—1,361		
Total program (obligations)	708,561	804,287	631,439
Financing:			
Unobligated balance brought forward	271,915	300,885	229,699
Receipts:			
Expenses and refunds, inspection and grading of farm products	404,714	245,000	245,000
Expenses, feed and attendants for animals in quarantine	37,039	20,000	30,000
Miscellaneous contributed funds	295,778	468,101	341,650
Unobligated balance carried forward	—300,885	—229,699	—214,910
Total financing	708,561	804,287	631,439

¹ Includes capital outlay as follows: 1959, \$5,057; 1960, \$12,000; 1961, \$7,500.

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others.

1. *Expenses and refunds, inspection and grading of farm products* provide for (a) inspection and certification of animal foods and inedible agricultural products in interstate and foreign commerce; (b) identification and marking of divided portions of meat, meat byproducts, and meat food products previously federally inspected and so marked in order that divided portions will bear Federal marks; and (c) examination of meat and meat food products in federally inspected meat packing plants for compliance with contract specifications (7 U.S.C. 1622h, 1624).

2. *Expenses, feed and attendants for animals in quarantine* are paid from fees advanced by importers (21 U.S.C. 102).

3. *Miscellaneous contributed funds* received from States, local organizations, individuals, and others are available for work under cooperative agreements on miscellaneous production and utilization research activities, plant quarantine inspection, and cooperative plant pest control activities (5 U.S.C. 67,563).

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$4,576; 1959, \$3,215; 1960, \$3,215; 1961, \$3,215.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	28	32	33
Full-time equivalent of all other positions.....	8	8	8
Average number of all positions.....	32	41	42
Number of employees at end of year.....	36	41	41
Average GS grade and salary.....	7.5 \$6,004	7.6 \$6,045	7.6 \$6,083
Average salary of ungraded positions.....	\$3,907	\$4,097	\$4,190
01 Personal services:			
Permanent positions.....	\$148,055	\$199,000	\$200,500
Positions other than permanent.....	26,210	23,500	23,500
Other personal services.....	19,896	23,800	21,900
Total personal services.....	194,161	246,300	245,900
02 Travel.....	26,141	43,800	29,150
03 Transportation of things.....	640	2,800	700
04 Communication services.....	1,389	1,500	1,500
05 Rents and utility services.....	2,321	2,400	2,400
06 Printing and reproduction.....	1,753	21,800	1,800
07 Other contractual services.....	10,493	14,200	13,900
Services performed by other agencies.....	416,245	326,250	261,250
08 Supplies and materials.....	35,169	115,639	59,839
09 Equipment.....	4,837	16,900	3,500
11 Grants, subsidies, and contributions.....	7,468	10,780	10,280
13 Refunds, awards, and indemnities.....	6,686	698	
15 Taxes and assessments.....	1,258	1,220	1,220
Total obligations.....	708,561	804,287	631,439

EXTENSION SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous contributed funds (total costs—obligations).....	\$6,672	\$6,859	\$6,700
Financing:			
Unobligated balance brought forward.....		159	
Receipts.....	6,831	6,700	6,700
Unobligated balance carried forward.....	—159		
Total financing.....	6,672	6,859	6,700

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification

	1959 actual	1960 estimate	1961 estimate
02 Travel.....	\$6,670	\$6,859	\$6,700
08 Supplies and materials.....	2		
Total obligations.....	6,672	6,859	6,700

SOIL CONSERVATION SERVICE

SOIL CONSERVATION SERVICE TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Technical services and other assistance, agricultural conservation program.....	\$3,778,869		
2. Miscellaneous contributed funds.....	261,675	\$297,703	\$300,000
Total program costs.....	4,040,544	297,703	300,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years (unpaid undelivered orders), net (—).....	—117,881		
Obligations incurred for costs of other years (unpaid undelivered orders), net.....		2,297	
Total program (obligations).....	3,922,663	300,000	300,000
Financing:			
Unobligated balance brought forward.....	2,902,026	88,604	
Receipts:			
Technical services and other assistance, agricultural conservation program.....	\$62,834		
Miscellaneous contributed funds.....	246,407	211,396	300,000
Unobligated balance carried forward.....	—88,604		
Total financing.....	3,922,663	300,000	300,000

1. *Technical services and other assistance, agricultural conservation program.*—During the 1959 fiscal year funds were advanced to the Soil Conservation Service to complete the technical services required on the 1958 program-year referrals. Beginning with the 1959 program year the agreements with the individual county agricultural stabilization and conservation committees provide that the technical services to agricultural conservation program participants will be performed on a reimbursable basis. Therefore, no obligations appear for this activity in fiscal year 1960 or 1961 (71 Stat. 337; 16 U.S.C. 590k).

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$153,584; 1959, \$35,703; 1960, \$38,000; 1961, \$38,000.

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	84	13	13
Full-time equivalent of all other positions.....	226	9	9
Average number of all employees.....	625	38	38
Number of employees at end of year.....	20	24	24
Average GS grade and salary.....	6.7 \$5,491	6.9 \$5,520	6.9 \$5,597
01 Personal services:			
Permanent positions.....	\$2,075,274	\$166,200	\$166,000
Positions other than permanent.....	814,847	32,000	32,000
Other personal services.....	4,679	1,800	2,000
Total personal services.....	2,894,800	200,000	200,000
02 Travel.....	38,039	19,300	19,300
03 Transportation of things.....	374	1,600	1,600
04 Communication services.....	1,269	600	600

DEPARTMENT OF AGRICULTURE—Continued

SOIL CONSERVATION SERVICE—Continued

SOIL CONSERVATION SERVICE TRUST FUNDS—Continued

Object Classification—Continued

	1959 actual	1960 estimate	1961 estimate
05 Rents and utility services.....	\$900	\$1,200	\$1,200
06 Printing and reproduction.....	789	2,300	2,300
07 Other contractual services.....	326,244	53,000	53,000
Services performed by other agencies.....	1,928	4,300	4,300
08 Supplies and materials.....	124,049	2,000	2,000
09 Equipment.....	3		
11 Grants, subsidies, and contributions.....	146,077	11,000	11,000
13 Refunds, awards, and indemnities.....	373,676	4,000	4,000
15 Taxes and assessments.....	14,515	700	700
Total obligations.....	3,922,663	300,000	300,000

AGRICULTURAL MARKETING SERVICE

AGRICULTURAL MARKETING SERVICE TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Expenses and refunds, inspection and grading of farm products:			
(a) Cottonseed.....	\$21,871	\$32,000	\$32,100
(b) Dairy products.....	1,715,678	1,689,600	1,702,200
(c) Fresh and processed fruits and vegetables.....	5,639,768	5,280,800	5,317,900
(d) Meat.....	4,260,467	4,688,100	4,720,000
(e) Naval stores.....	14,628	16,000	16,100
(f) Poultry products.....	4,062,267	4,404,200	4,889,300
(g) Rice, hay, beans, peas, seed, hops, and miscellaneous agricultural commodities.....	1,356,109	1,390,600	1,402,600
2. Miscellaneous contributed funds.....	96,905	66,755	32,000
Total program costs 1.....	17,167,693	17,568,055	18,112,200
3. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—1,266	—20,043	-----
Total program (obligations).....	17,166,427	17,548,012	18,112,200
Financing:			
Unobligated balance brought forward.....	6,138,275	6,391,463	6,306,795
Receipts:			
Expenses and refunds, inspection and grading of farm products.....	17,288,592	17,413,600	17,703,300
Miscellaneous contributed funds.....	91,040	49,744	32,000
Recovery of prior year obligations.....	39,983		
Unobligated balance carried forward.....	—6,391,463	—6,306,795	—5,929,895
Total financing.....	17,166,427	17,548,012	18,112,200

¹ Includes capital outlay as follows: 1959, \$82,793; 1960, \$83,400; 1961, \$85,200.

1. *Expenses and refunds, inspection and grading of farm products.*—An inspection and grading service for farm products is provided upon application of interested parties. These services are supported primarily by fees and, to a limited extent, by direct appropriations to the Agricultural Marketing Service. The schedules reflect expenses paid from fees received (7 U.S.C. 91-99, 1621-1627). The volume of work performed under the trust fund is shown below:

[In millions]		1959 actual	1960 estimate	1961 estimate
Commodity	Unit			
Dairy products.....	Pound.....	2,786.0	2,845.0	2,845.0
Fresh fruits and vegetables.....	Car or carlot equivalent.....	1.4	1.4	1.5
Processed fruits and vegetables:				
Canned products.....	Case.....	173.9	170.0	170.0
Frozen, dried, and miscellaneous.....	Pound.....	2,938.3	3,300.0	3,400.0
Meat and meat products, graded.....	Pound.....	7,100.4	7,340.0	7,797.0
Poultry products, graded:				
Shell eggs.....	Case.....	34.9	38.0	40.0
Processed eggs.....	Pound.....	497.5	530.0	551.0
Poultry, including rabbits.....	Pound.....	2,022.2	2,291.1	2,411.1
Poultry products, inspected:				
Poultry, including rabbits.....	Pound.....	995.4	10.4	10.4
Poultry certified for canning.....	Pound.....	178.6	190.0	200.0
Grain and related products:				
Rice, beans, and peas.....	100-pound bag.....	50.3	58.5	58.5
Seed verification and reverification.....	Pound.....	62.4	72.0	72.0

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others available for work under cooperative agreements (5 U.S.C. 67, 563).

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table:

	1958 actual	1959 actual	1960 estimate	1961 estimate
Selected resources at end of year: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	\$117,514	\$76,265	\$56,222	\$56,222
Selected resources at start of year (—).....	-----	—117,514	—76,265	—56,222
Adjustment of selected resources reported at start of year.....	-----	39,983	-----	-----
Costs financed from obligations of other years, net (—)....	-----	—1,266	—20,043	-----

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	3,115	2,660	2,781
Full-time equivalent of all other positions.....	102	84	85
Average number of all employees.....	2,361	2,429	2,502
Number of employees at end of year.....	2,482	2,614	2,733
Average GS grade and salary.....	7.2 \$5,732	7.3 \$5,750	7.3 \$5,747
Average salary of ungraded positions.....	\$4,260	\$4,367	\$4,392
01 Personal services:			
Permanent positions.....	\$12,388,667	\$12,961,436	\$13,361,175
Positions other than permanent.....	423,414	335,070	339,870
Other personal services.....	785,022	465,939	456,355
Total personal services.....	13,597,103	13,762,445	14,157,400
02 Travel.....	1,236,958	1,285,400	1,288,600
03 Transportation of things.....	44,426	75,400	75,300
04 Communication services.....	213,734	230,300	231,300
05 Rents and utility services.....	93,714	97,000	97,000
06 Printing and reproduction.....	81,004	84,500	84,500
07 Other contractual services.....	789,979	736,745	878,550
Services performed by other agencies.....	128,428	204,500	204,500
08 Supplies and materials.....	111,491	131,900	130,550
09 Equipment.....	79,113	84,900	84,200
11 Grants, subsidies, and contributions.....	755,424	822,454	847,900
13 Refunds, awards, and indemnities.....	7,025	10,968	10,800
15 Taxes and assessments.....	28,028	21,500	21,600
Total obligations.....	17,166,427	17,548,012	18,112,200

FOREIGN AGRICULTURAL SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous contributed funds (total costs—obligations).....	\$4,000	\$4,000	-----
Financing:			
Receipts.....	4,000	4,000	-----

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Object Classification

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	1	1	-----
Average number of employees.....	1	1	-----
Number of employees at end of year.....	0	0	-----
Average GS grade and salary.....	12.0 \$8,944	12.0 \$8,944	-----
01 Personal services:			
Permanent positions.....	\$2,752	\$2,752	-----
Positions other than permanent.....	1,039	1,039	-----
Total personal services.....	3,791	3,791	-----
07 Other contractual services.....	5	5	-----
11 Grants, subsidies, and contributions.....	179	179	-----
15 Taxes and assessments.....	25	25	-----
Total obligations.....	4,000	4,000	-----

COMMODITY STABILIZATION SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
Miscellaneous contributed funds (total costs—obligations) (object class 07)-----	\$39,970	\$15,550	\$9,000
Financing:			
Unobligated balance brought forward-----	5,627		
Receipts-----	34,343	15,550	9,000
Total financing-----	39,970	15,550	9,000

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

FARMERS HOME ADMINISTRATION

STATE RURAL REHABILITATION FUNDS

These funds are administered by the Farmers Home Administration, under agreements with 40 individual States, for use in carrying out titles I and II of the Bankhead-Jones Farm Tenant Act. In these States, operating type loans are made at 5% interest. In some States, farm ownership type loans are made from these funds and insured under the regular Farmers Home Administration insured loan program at 5% of which 1% represents an insurance charge that is retained by the Government. The entire assets of the 40 State corporations are being administered by the Farmers Home Administration, with the exception of \$7,298,513 in cash and other assets returned to States for rural rehabilitation purposes agreed upon between each corporation and the Federal Government.

Declining activity is expected in 1960 and 1961 as a result of further return of assets to State corporations. Actual and estimated loan operations for 1958, 1959, 1960, and 1961 are as follows:

	Operating	Farm ownership
1958-----	\$1,799,719	\$10,386,610
1959-----	1,513,545	9,720,835
1960 (estimate)-----	900,000	5,500,000
1961 (estimate)-----	500,000	3,000,000

Sources and Application of Funds (Operations)

	1959 actual	1960 estimate	1961 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans-----	\$12,915,650	\$6,900,000	\$3,500,000
Other acquisitions-----	10,787	13,000	13,000
Expense-----	635,652	592,500	402,500
Assets returned to States-----	627,533	976,100	1,195,100
Total gross expenditures-----	14,189,622	8,481,600	5,110,600
Receipts from operations (funds provided):			
Loan program:			
Loans repaid-----	7,935,070	6,000,000	4,700,000
Proceeds from sale of acquired property-----	14,350	4,000	6,000
Payments on judgments-----	19,237	15,000	30,000
Revenue-----	1,079,453	1,271,800	1,081,500
Decrease in selected working capital-----	159,205	602,345	444,590
Total receipts from operations-----	9,207,315	7,893,145	6,262,090
Trust expenditures-----	4,982,307	588,455	-1,151,490

Revenue, Expense, and Retained Earnings

	1959 actual	1960 estimate	1961 estimate
Operating program:			
Revenue-----	\$1,084,435	\$1,271,800	\$1,081,500
Expense-----	512,882	464,801	293,559
Net operating income-----	571,553	806,999	787,941

Revenue, Expense, and Retained Earnings—Continued

	1959 actual	1960 estimate	1961 estimate
Nonoperating income or loss (—):			
Sale of acquired property-----	\$14,350	\$19,000	\$6,000
Net book value of assets sold (—)-----	-9,762	-19,500	-5,800
Net nonoperating income or loss (—)-----	4,588	-500	200
Net income for the year-----	576,141	806,499	788,141
Deficit (—), beginning of year-----	-3,738,426	-3,652,386	-2,845,887
Adjustment of prior year expense-----	-490,101		
Deficit (—), end of year-----	-3,652,386	-2,845,887	-2,057,746

Financial Condition

Assets:			
Cash with Treasury-----	\$3,523,741	\$3,551,286	\$5,202,776
U.S. securities (par)-----	2,816,000	2,200,000	1,700,000
Accounts receivable, net-----	1,605,561	1,332,138	1,150,589
Loans receivable, net-----	22,127,586	21,893,363	17,659,263
Acquired security or collateral-----	1,318	10,818	28,018
Real estate acquired through foreclosure-----	35,058	19,058	4,058
Judgments, net-----	33,895	33,395	30,395
Total assets-----	30,143,159	29,040,058	25,775,099
Liabilities:			
Current-----	48,404	43,404	33,404
Investment of States:			
Non-interest-bearing capital:			
Start of year-----	34,754,212	33,747,141	31,842,541
Prior year adjustment-----	490,101		
Assets transferred under trust agreement during year, net (—)-----	-1,497,172	-1,904,600	-4,043,100
End of year-----	33,747,141	31,842,541	27,799,441
Deficit (—)-----	-3,652,386	-2,845,887	-2,057,746
Total investment of States-----	30,094,755	28,996,654	25,741,695

Object Classification

Total number of permanent positions-----	42	32	22
Average number of all employees-----	42	31	20
Number of employees at end of year-----	33	32	22
Average GS grade and salary-----	5.6 \$5,116	5.5 \$5,032	5.9 \$5,124
01 Personal services:			
Permanent positions-----	\$212,029	\$154,760	\$104,570
Other personal services-----	676	1,240	430
Total personal services-----	212,705	156,000	105,000
02 Travel-----	21,119	16,000	9,900
07 Other contractual services-----	3,472	500	1,500
Services performed by other agencies-----	76,907	77,000	77,000
11 Grants, subsidies, and contributions-----	13,753	10,500	6,600
13 Refunds, awards, and indemnities-----	570,010	825,100	1,039,100
16 Investments and loans-----	11,234,380	6,400,000	3,500,000
Undistributed charges-----	199,393	162,578	98,459
Total obligations-----	12,331,739	7,647,678	4,837,559

OFFICE OF INFORMATION

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Miscellaneous contributed funds (total program costs)-----	\$2,199	\$21,000	
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—)-----	-1,586		
Total program (obligations)-----	613	21,000	
Financing:			
Unobligated balance brought forward-----	613		
Receipts-----		21,000	
Total financing-----	613	21,000	

1. Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

2. Relation of costs to obligations.—The year-end balances of unpaid undelivered orders are as follows: 1958, \$1,586.

DEPARTMENT OF AGRICULTURE—Continued

OFFICE OF INFORMATION—Continued

MISCELLANEOUS CONTRIBUTED FUNDS—Continued

Object Classification

	1959 actual	1960 estimate	1961 estimate
03 Transportation of things.....	\$158		
07 Other contractual services: Services performed by other agencies.....	455	\$21,000	
Total obligations.....	613	21,000	

FOREST SERVICE

FOREST SERVICE TRUST FUNDS

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Cooperative work:			
(a) Construction and maintenance of roads and trails.....	\$1,112,415	\$1,300,000	\$1,300,000
(b) Construction and maintenance of other improvements.....	420,304	400,000	400,000
(c) Protection of national forests and adjacent private land.....	2,346,716	2,400,000	2,400,000
(d) Sale area betterment and scaling.....	10,622,112	12,240,000	12,740,000
(e) Research investigations.....	953,689	1,000,000	1,000,000
(f) Administration.....	61,365	60,000	60,000
(g) Reforestation.....	92,972	100,000	100,000
2. Miscellaneous contributed funds.....	11,140	5,571	
3. Technical services and other assistance, agricultural conservation program.....	4,357		
Total program costs ¹	15,625,070	17,505,571	18,000,000
4. Relation of costs to obligations: Obligations incurred for costs of other years (unpaid undelivered orders), net.....	174,860		
Total program (obligations).....	15,799,930	17,505,571	18,000,000
Financing:			
Unobligated balance brought forward.....	13,557,702	15,164,546	16,158,975
Receipts (cooperative work).....	17,406,774	18,500,000	19,000,000
Unobligated balance carried forward.....	-15,164,546	-16,158,975	-17,158,975
Total financing.....	15,799,930	17,505,571	18,000,000

¹ Includes capital outlay as follows: 1959, \$9,302,486; 1960, \$10,920,000; 1961, \$11,420,000.

1. *Cooperative work.*—Advances, including deposits from purchasers of timber, are received and used for cooperative work in forest investigations, protection, and improvement of the national forests; and protection, reforestation, and administration of private lands adjacent to national forests (16 U.S.C. 498, 572, 572a, 576b, 581; 31 U.S.C. 725s).

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

3. *Technical services and other assistance, agricultural conservation program.*—For a part of fiscal year 1959 funds were advanced to the Forest Service from the agricultural conservation program appropriation on the basis of agreements with individual county agricultural stabilization and conservation committees for technical assistance in formulating and carrying out the forestry portion of the agricultural conservation cost-sharing programs in participating counties (71 Stat. 337; 16 U.S.C. 590k).

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1958, \$346,229; 1959, \$521,089; 1960, \$521,089; 1961, \$521,089.

Object Classification

	1959 actual	1960 estimate	1961 estimate
FOREST SERVICE			
Total number of permanent positions.....	1,250	1,301	1,301
Full-time equivalent of all other positions.....	1,569	1,641	1,656
Average number of all employees.....	2,744	2,865	2,880
Number of employees at end of year.....	3,111	3,286	3,300
Average GS grade and salary.....	6.8 \$5,583	6.9 \$5,617	6.9 \$5,614
Average salary of ungraded positions.....	\$4,553	\$4,754	\$4,754
01 Personal services:			
Permanent positions.....	\$5,218,996	\$5,577,175	\$5,577,175
Positions other than permanent.....	5,169,932	5,382,072	5,432,072
Other personal services.....	199,507	207,485	216,753
Total personal services.....	10,588,435	11,166,732	11,226,000
02 Travel.....	123,936	152,531	164,000
03 Transportation of things.....	52,925	62,139	67,000
04 Communication services.....	74,124	91,874	98,000
05 Rents and utility services.....	131,585	151,148	162,000
06 Printing and reproduction.....	13,480	13,500	15,000
07 Other contractual services:			
Services performed by other agencies.....	979,965	1,162,184	1,405,675
08 Supplies and materials.....	1,230,460	1,388,660	1,401,000
09 Equipment.....	1,505,886	1,706,951	1,716,173
10 Lands and structures.....	288,243	306,775	329,000
11 Grants, subsidies, and contributions.....	482,397	954,067	1,025,000
12 Refunds, awards, and indemnities.....	378,021	440,384	473,000
13 Refunds, awards, and indemnities.....	133,052	108,653	116,000
15 Taxes and assessments.....	106,724	122,890	131,000
Subtotal.....	16,089,233	17,828,488	18,328,848
Deduct quarters and subsistence charges.....	312,319	322,917	328,848
Total, Forest Service.....	15,776,914	17,505,571	18,000,000
ALLOCATION TO DEPARTMENT OF COMMERCE			
Total number of permanent positions.....	1		
Average number of all employees.....	1		
Number of employees at end of year.....	1		
Average GS grade and salary.....	8.1 \$6,598		
01 Personal services:			
Permanent positions.....	\$2,767		
Positions other than permanent.....	63		
Other personal services.....	707		
Total personal services.....	3,537		
02 Travel.....	375		
07 Other contractual services: Services performed by other agencies.....	3,196		
09 Equipment.....	45		
10 Lands and structures.....	15,630		
11 Grants, subsidies, and contributions.....	180		
13 Refunds, awards, and indemnities.....	50		
15 Taxes and assessments.....	3		
Total, Department of Commerce.....	23,016		
Total obligations.....	15,799,930	17,505,571	18,000,000

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

SPECIAL STATISTICAL WORK

Program and Financing

	1959 actual	1960 estimate	1961 estimate
Program by activities:			
1. Special statistical studies:			
(a) Age and citizenship searches.....	\$691,009	\$680,000	\$660,000
(b) Special statistical studies.....	683,076	695,000	715,000
2. General administration.....	121,909	125,000	125,000
Total program costs.....	1,495,994	1,500,000	1,500,000
3. Relation of costs to obligations: Costs financed from obligations of other years (unpaid undelivered orders), net (—).....	-2,554		
Total program (obligations).....	1,493,440	1,500,000	1,500,000
Financing:			
Unobligated balance brought forward.....	459,715	335,645	100,000
Receipts.....	1,369,370	1,264,355	1,600,000
Unobligated balances carried forward.....	-335,645	-100,000	-100,000
Total financing.....	1,493,440	1,500,000	1,500,000

INTRODUCTION TO PART IV

Part IV of the budget contains a limited number of special analyses of budget data, which supplement material appearing in other parts of the budget. Most of the analyses include explanatory material which expands and elaborates these introductory notes.

In addition to the special analyses appearing in this part of the budget document, the analyses listed below are being published separately and single copies of each may be obtained, upon request, from the Bureau of the Budget. The first two on the list are currently available; the others are expected to be available in about 10 days.

Federal Activities in Public Works and Other Construction.

Federal Research and Development Programs.

Federal Credit Programs.

Federal Aid to State and Local Governments.

Principal Federal Statistical Programs.

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

Special analysis A presents information on the flow of money between the public and the Federal Government as a whole, including both Federal funds and trust (and deposit) funds. In addition, certain transactions of five Government-sponsored enterprises are included. Major intragovernmental and noncash transactions are excluded in this consolidation. This analysis also presents a reconciliation with Treasury cash deposits and withdrawals as reported in the Daily Statement of the U.S. Treasury. The information here provides one measure of the impact of Government activities on the economy, and it serves as the basis for table 5 of part I, which summarizes the data for fiscal year 1961 only.

ANALYSIS OF BUDGET RECEIPTS

Special analysis B presents details on the budget receipts summarized in table 1 of part I. It includes a statement explaining the receipt estimates, together with a table giving a classification of receipts by source. Data for all 3 years is presented on the basis of a revised classification adopted in July 1959. The figures include receipts of both the general fund and the special funds. The text pertaining to taxes, customs, and refunds is prepared by the Treasury Department.

ANALYSIS OF THE BUDGET BY FUNCTION AND AGENCY

Special analysis C gives the details for the functional classification of new obligational authority and expenditures used in the budget message and in certain tables of part I. It is compiled by regrouping the figures found in the chapter summaries of part II. The code numbers listed in the chapter summaries are the key to the grouping found in this analysis.

CHARACTER ANALYSIS OF BUDGET EXPENDITURES

Special analysis D analyzes budget expenditures in terms of the duration and nature of the benefits derived.

Expenditures of an *investment* type are shown in two major categories—one for acquisition and improvement of Federal assets, and the other for developmental purposes such as additions to State, local, and private assets, and expenditures for research, education, and health. Expenditures yielding *current* benefits are also grouped in two major categories—one for aids and special services to various groups, and the other for the remaining current operating expenses. No adjustments are made for depreciation, obsolescence, allowances for potential losses on loans, and other items not reflected in current expenditure data.

FOREIGN CURRENCY AVAILABILITIES AND USES

Special analysis E presents information on the foreign currencies accruing to the United States without purchase with dollars, and the disposition of such currencies. It covers currencies both for "country uses" (grants to and loans in the country from which the currencies are obtained) and for "U.S. uses." For 1959 and 1960 currencies were in many cases made available to various agencies for U.S. uses without being reflected in the budget accounts; for 1961, it is proposed to adopt a system of budget control which will also automatically bring the transactions into the budget accounts. The special analysis coordinates and supplements the information presented elsewhere in the budget on this subject.

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS

Special analysis F sets forth certain investments and interfund transactions which are not reflected in the expenditures or receipts shown elsewhere in the budget. The first two groups of these are the investments by revolving and trust funds in U.S. Government securities (both Treasury issues and the securities of wholly owned Government enterprises), and the net borrowing or repayment of debt by wholly owned enterprises (other than their debt to the Treasury). The totals of these transactions, while not a part of budget expenditures or receipts, affect the financing requirements of the Government as a whole, and therefore are included in computations shown in table 4 of part I. The other group of transactions included in this table constitutes transfers by the revolving funds to the general fund, representing the return of capital and the distribution of earnings; such transfers are excluded from budget expenditures and budget receipts.

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES

Special analysis G presents a 10-year comparison of budget receipts and expenditures. The receipts are classified by source and the expenditures by function. A technical note sets forth the change in classifications since the 1960 budget. As in special analysis C, the code numbers appearing in the chapter summaries of part II are the key to the grouping of items in the expenditure section of this analysis.

SPECIAL ANALYSIS A

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

The transactions of the Federal Government on a consolidated cash basis are expected to result in an excess of Federal receipts from the public of \$5.9 billion in the fiscal year 1961 as compared with an excess of payments of \$0.5 billion in the current year. This concept of Federal income and outgo is described in detail on pages 899-900 of this analysis. In general, in addition to consolidating budget, trust fund, and other transactions, it eliminates certain intragovernmental payments and transactions which do not represent cash flows between the Federal Government and the public.

The shift to an excess of receipts between 1960 and 1961 is explained primarily by the improved budget outlook, and also by the change to a net accumulation of trust fund receipts of \$1.3 billion in 1961, from an estimated excess of payments of \$0.8 billion in 1960. (For trust fund receipts and expenditures, see part III of this document, especially pp. 843-844.

Receipts from the public are expected to rise to \$102.2 billion in 1961, which is \$7.4 billion higher than in the current fiscal year. Payments are estimated at \$96.3 billion, an increase of \$0.9 billion above the current fiscal year.

FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC BY MAJOR SOURCE AND PAYMENTS TO THE PUBLIC BY MAJOR FUNCTION

EXCLUDES MAJOR INTRAGOVERNMENTAL AND NONCASH TRANSACTIONS

[In millions]

Description	1948 actual	1949 actual	1950 actual	1951 actual	1952 actual	1953 actual	1954 actual	1955 actual	1956 actual	1957 actual	1958 actual	1959 actual	1960 esti- mate	1961 esti- mate
FEDERAL RECEIPTS FROM THE PUBLIC														
Individual income taxes.....	\$19,305	\$15,548	\$15,745	\$21,643	\$27,913	\$30,108	\$29,542	\$28,747	\$32,188	\$35,620	\$34,724	\$36,719	\$40,306	\$43,706
Corporation income taxes.....	9,678	11,195	10,448	14,106	21,225	21,238	21,101	17,861	20,880	21,167	20,074	17,309	22,200	23,500
Excise taxes.....	7,356	7,502	7,549	8,648	8,851	9,868	9,945	9,131	9,929	10,534	10,728	10,675	11,727	12,473
Employment taxes.....	2,388	2,476	2,881	3,928	4,563	4,980	5,423	6,217	7,294	7,578	8,641	8,850	11,055	12,665
Estate and gift taxes.....	890	780	698	708	818	881	934	924	1,161	1,365	1,393	1,333	1,470	1,620
Customs.....	403	367	407	609	533	596	542	585	682	735	782	925	1,176	1,376
Deposits by States, unemployment insurance.....	1,007	985	1,098	1,363	1,439	1,371	1,246	1,146	1,330	1,542	1,501	1,701	1,850	1,900
Veterans life insurance premiums.....	434	431	440	520	473	428	426	441	441	452	485	477	494	510
Other budget and trust receipts.....	3,895	2,293	1,673	1,865	2,196	2,027	2,468	2,783	3,183	3,115	3,565	3,671	4,518	4,427
Total Federal receipts from the public.....	45,357	41,576	40,940	53,390	68,012	71,498	71,626	67,835	77,087	82,106	81,892	81,660	94,796	102,178
FEDERAL PAYMENTS TO THE PUBLIC														
Major national security.....	12,998	13,093	13,155	22,639	44,186	50,507	47,056	40,782	40,771	43,345	44,460	46,616	45,912	45,898
International affairs and finance.....	5,542	6,213	4,539	3,703	2,915	2,175	1,594	2,006	1,646	2,626	2,666	2,388	1,774	2,192
Veterans services and benefits.....	6,904	7,054	9,299	5,994	5,755	4,883	4,962	5,057	5,283	5,382	5,682	5,815	5,814	6,125
Labor and welfare.....	3,149	3,993	5,275	5,068	5,915	6,920	8,442	9,890	10,608	12,494	16,140	18,552	19,755	20,281
Agriculture and agricultural resources.....	531	2,532	2,848	628	1,129	2,949	2,596	4,403	4,983	4,603	4,320	6,996	5,135	5,475
Natural resources.....	755	1,062	1,220	1,279	1,377	1,487	1,330	1,217	1,123	1,324	1,570	1,698	1,820	1,970
Commerce and housing.....	449	1,407	1,795	2,346	2,148	2,327	219	1,449	2,186	3,138	2,996	6,859	7,105	5,565
General government.....	1,385	1,033	1,056	1,228	1,344	1,360	1,470	1,396	1,578	1,494	1,622	1,923	2,077	2,293
Interest ¹	3,909	3,977	4,316	4,134	4,134	4,711	4,620	4,664	5,115	5,265	5,883	5,351	7,554	7,958
Deposit funds, net ²	73	463	77	-544	-160	-471	-115	57	229	225	-97	-3	-135	-111
Allowance for contingencies.....													75	200
Expenditures by agencies, as employers, for Federal employees retirement (-) ³											-586	-756	-724	-771
Deduction from Federal employees' salaries for retirement (-).....	-236	-327	-358	-378	-411	-420	-430	-439	-574	-644	-666	-751	-724	-724
Increase (-) or decrease in clearing account for outstanding checks, etc. ⁴	507	-366	-483	214	401	250	115	55	-335	753	-579	116	-99	-95
Adjustment to daily Treasury statement basis.....	527	437	409	-515	-769	95								
Total Federal payments to the public.....	36,493	40,570	43,147	45,797	67,963	76,772	71,859	70,537	72,616	80,007	83,412	94,804	95,338	96,257
Excess of Federal payments to (-) or receipts from the public	8,864	1,006	-2,207	7,593	49	-5,274	-232	-2,702	4,471	2,099	-1,520	-13,144	-542	5,921

¹ Since 1954, includes adjustment for change in public debt interest checks, coupons, and accruals outstanding.

² Excludes deposit funds of Government-sponsored enterprises which are allocated by major function.

³ In 1957 and prior years the Government's payment as employer was made in a lump sum to the Civil Service Commission and was not included in any functional category as

a payment to the public. From 1958, the individual agency payments are included in the applicable functional category, but the total is deducted from payments in a lump sum.

⁴ Since 1954, excludes that part of clearing account which is for public debt interest checks, coupons, and accruals outstanding.

SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

Federal receipts from the public by major source and payments to the public by major function: 1948-61.—Since 1948, receipts from and payments to the public have both increased at a faster rate than budget receipts and expenditures, with the growth of existing trust fund programs accompanied by employment tax increases (particularly old-age and survivors insurance) and the creation of new trust funds (principally the Highway trust fund). Both receipts from and payments to the public in 1961 will be more than double the comparable amount in any of the years 1948-50.

Income taxes have provided most of the increase in receipts from the public, and have more than doubled since 1948. Individual income taxes in 1961 will have risen by \$24.4 billion and corporate income taxes by \$13.8 billion during this period. Employment tax receipts are estimated to be \$12.7 billion in 1961, over 5 times the 1948 level. This growth is accounted for by (1) increases in both the rates and income bases of these taxes, (2) the wider extension of social security coverage, and (3) generally higher incomes.

FEDERAL RECEIPTS FROM AND PAYMENTS TO THE PUBLIC COMPARED WITH BUDGET RECEIPTS AND EXPENDITURES FOR 1961

[Estimates. In millions]

Description	Receipts from and payments to the public	Budget receipts and expenditures	Difference
Receipts:			
Individual income taxes.....	\$43,706	\$43,706	-----
Corporation income taxes.....	23,500	23,500	-----
Excise taxes.....	12,473	9,523	\$2,950
Employment taxes.....	12,665	340	12,325
Estate and gift taxes.....	1,620	1,620	-----
Customs.....	1,376	1,376	-----
Other receipts.....	6,838	3,935	2,903
Total receipts.....	102,178	84,000	18,178
Payments:			
Major national security.....	45,898	45,568	330
International affairs and finance.....	2,192	2,242	-50
Veterans services and benefits.....	6,125	5,471	654
Labor and welfare.....	20,281	4,569	15,712
Agriculture and agricultural resources.....	5,475	5,623	-148
Natural resources.....	1,970	1,938	32
Commerce and housing.....	5,565	2,709	2,856
General government.....	2,293	1,911	382
Interest.....	7,958	9,585	-1,627
Allowance for contingencies.....	200	200	-----
Undistributed.....	-1,700	-----	-1,700
Total payments.....	96,257	79,816	16,441
Excess of receipts.....	5,921	4,184	1,737

With two exceptions, payments for each major governmental function will be higher in 1961 than in 1948. The exceptions are international affairs and finance, and veterans services and benefits; and in both of these cases expenditures in 1948 were very high because of special post-World War II conditions. In absolute amounts, the largest increases since 1948 are \$32.9 billion for major national security, and \$17.1 billion for labor and welfare.

The largest relative changes since 1948 are for commerce and housing programs and for agriculture and agricultural resources. Outlays for commerce and housing programs (including highways) in 1961 are estimated to be 12 times the 1948 total, while payments for agriculture will have increased 10 times from the exceptionally low 1948 amount.

Comparison with the budget.—The estimated excess of receipts from the public in 1961 exceeds the budget surplus primarily because trust fund receipts exceed trust fund expenditures. A much smaller contributing factor will be the expected unpaid interest accruals on savings bonds, which are included in budget expenditures but not in cash payments. As in the budget, income taxes provide the largest portion of receipts from the public, and payments to the public for major national security exceed payments for any other function.

Federal payments to the public for commerce and housing exceed comparable budget totals considerably, primarily because of the expenditures from the Highway trust fund. Payments for labor and welfare also exceed budget totals substantially, because of the benefit payments of the social security trust funds. On the other hand, cash payments to the public for interest are considerably smaller than budget outlays, mainly because a large amount of interest on the public debt is paid by the Treasury to trust funds on their holdings of public debt securities, and does not go to the public directly.

Federal net cash borrowing from the public.—The amount of Federal net cash borrowing from the public (or net repayment of such borrowing) is determined primarily by the excess of payments to (or receipts from) the public, and also varies with changes made in the Treasury's cash balances. Receipts from the exercise of monetary authority, not included in receipts from the public, provide a relatively small additional amount of available revenue.

FEDERAL GOVERNMENT NET CASH BORROWING FROM THE PUBLIC

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
Excess of Federal payments to (—) or receipts from the public.....	-\$13,144	-\$542	\$5,921
Receipts from exercise of monetary authority.....	44	40	48
Increase (—) or decrease in cash balances.....	4,422	88	-----
Federal cash borrowing (—) or repayment of cash borrowing.....	-8,678	-414	5,969

The figures shown in the preceding table for net cash borrowing from the public include not only the change in the amount of publicly held U.S. Government securities issued by the Treasury, but also the change in securities of various kinds issued to the public by other Government agencies and by Government-sponsored enterprises. Changes in the public debt that do not represent direct cash borrowing or repayment of borrowing from the public are excluded. Major examples of such noncash debt transactions are the issuance of U.S. Government notes and securities to the International Monetary Fund and

SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

to the trust funds, which hold about one fifth of the public debt.

CHANGE IN PUBLIC DEBT RECONCILED WITH FEDERAL GOVERNMENT NET CASH BORROWING FROM THE PUBLIC

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
Increase (—) or decrease in public debt ¹	—\$3,363	\$206	\$4,500
Cashings of (—) or investments in U.S. securities, net:			
Trust funds ²	—1,215	208	1,769
Public enterprise funds.....	102	161	185
Government-sponsored enterprises.....	—68	258	240
Increase (—) or decrease in obligations of Government enterprises held by the public, net:			
Trust funds ²	—67	—980	—800
Public enterprise funds.....	—3	—5	—106
Government-sponsored enterprises.....	—1,222	—885	57
Decrease (—) or increase in public debt from noncash adjustments, net ³	2,160	623	124
Federal cash borrowing (—) or repayment of cash borrowing.....	—3,678	—414	5,969

¹ From table 4 in part I of this document.

² Includes the Federal National Mortgage Association secondary market operations and (until Jan. 1, 1959) the Federal intermediate credit banks.

³ Includes accrued interest and noncash adjustments other than the change in the clearing account.

Coverage.—This analysis presents information on the flow of money between the public and the Federal Government as a whole, representing, in effect, a consolidated cash statement of Federal transactions—other than borrowing—with the public. For purposes of this analysis, the public is defined to include individuals, banks, other private corporations and associations, unincorporated businesses, the Federal Reserve System, the Postal Savings System, State and local governments, foreign governments, and international organizations. Included in consolidated cash receipts and expenditures are the transactions of trust and deposit funds (which are not fully owned by the Federal Government), and net expenditures of Government-sponsored enterprises, as well as the Federal funds included in budget receipts and expenditures. (For a description of the differences between budget, trust, and other types of funds, see the introductions to part I and part III, pp. 1 and 841.) In consolidating these funds, major intragovernmental transactions which are reported as both expenditures and receipts are eliminated. Transactions so eliminated are: (1) Payments between Federal funds, such as interest paid to the general fund by the Commodity Credit Corporation on its borrowing from the Treasury; (2) payments between Federal funds and trust funds, such as interest paid to the Unemployment trust fund by the general fund on its holdings of public debt securities; and (3) payments between trust funds, such as payments by the Old-age and survivors insurance fund to the Railroad retirement account.

Receipts of the Government from the exercise of monetary authority (mainly seigniorage) do not represent cash received from the public and are therefore deducted in making this consolidation. The bulk of these receipts represent the difference between acquisition cost to the Treasury and the monetary value of silver and other metals minted into coins.

DERIVATION OF FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
FEDERAL RECEIPTS FROM THE PUBLIC			
Budget receipts ¹	\$68,270	\$78,600	\$84,000
Trust fund receipts ²	17,084	20,696	22,547
Less—			
Intragovernmental transactions.....	3,650	4,460	4,321
Receipts from exercise of monetary authority.....	44	40	48
Equals: Federal receipts from the public.....	81,660	94,796	102,178
FEDERAL PAYMENTS TO THE PUBLIC			
Budget expenditures ¹	80,697	78,383	79,816
Trust fund expenditures ²	18,597	21,510	21,278
Government-sponsored enterprise expenditures, net.....	1,290	627	—297
Less—			
Intragovernmental transactions.....	3,650	4,460	4,321
Accrued interest and other noncash expenditures, net.....	2,131	722	219
Equals: Federal payments to the public.....	94,804	95,338	96,257
Excess of Federal payments to (—) or receipts from the public.....	—13,144	—542	5,921

¹ From table 1 in part I of this document.

² From table 10 in part III of this document.

This analysis also includes on a net basis the estimated expenditures of five Government-sponsored enterprises which are exempt from the budgeting requirements of the Government Corporation Control Act of 1945, as amended—The Federal Deposit Insurance Corporation; the Federal home loan banks; the Federal land banks; the banks for cooperatives; and since January 1, 1959, the Federal intermediate credit banks. The expenditures of these enterprises are estimated from their security transactions in the following manner: both net investment by an enterprise in U.S. securities and net redemption by the enterprise of its own obligations are used as a measure of net receipts from operations; net cashing by the enterprise of U.S. securities and net sales of its own obligations are used as a measure of net expenditures. Also included on a net basis in this analysis, but as part of trust fund expenditures, are the transactions of the Federal National Mortgage Association secondary market operations (a mixed-ownership enterprise).

Budget expenditures are for the most part on a "checks issued" basis but also include a few noncash transactions of three types, as described later in this paragraph. In calculating total Federal payments to the public, these noncash items are excluded. On the other hand, actual cash outlays are included in payments to the public even though they are not part of budget expenditures for the year in question. The three main transactions of this type are: (1) U.S. securities issued in payment of obligations and the redemption of these securities for cash at a later date. This is the case with the U.S. Treasury notes used to pay the U.S. subscription to the International Monetary Fund in 1959—notes which will be redeemed in later years as the International Monetary Fund needs the

SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

money; (2) interest on savings bonds, which is a budget expenditure at the time of accrual and a payment to the public when the bonds are redeemed; and (3) net changes in the clearing accounts for outstanding checks and similar items. In any given year the aggregate of the accruals may be larger or smaller than total disbursements for previously accrued items.

Use and limitations.—Because the totals of Federal Government receipts from and payments to the public are more comprehensive than the budget totals, they are of particular importance in evaluating the impact of Federal transactions on the economy. For example, Federal receipts from the public classified by source indicate the sectors of the economy or the kinds of transactions other than borrowing which provide funds for the Government. Federal payments to the public by function indicate the relative importance of the major Government programs in terms of total cash outlays. The excess of receipts from the public or payments to the public tends to reflect the net impact of Federal financial transactions on the income of the public as a whole.

Federal receipts from and payments to the public tend to understate the scope of Federal transactions, because the totals include only the net expenditures of wholly owned and of Government-sponsored enterprises. Receipts from operations of these enterprises, such as postal receipts or interest on and repayment of loans, are deducted from disbursements, such as postal expenditures or new loans, in measuring net expenditures. Since this netting reduces receipts and payments by equal amounts, the excess of Federal receipts from or payments to the public is not affected.

This measure of Federal transactions differs from the national income account treatment in two major respects—coverage and timing. With respect to coverage, capital (financing) transactions, such as loans and loan repayments and sales and purchases of existing assets, are excluded from receipts and expenditures on national income and product account but are included in the consolidated cash statement. With respect to timing, the national account treatment records many transactions on an accrual basis, while in cash receipts from and payments to the public an effort is made to record only cash transactions.

Users of the data in this analysis should recognize that no single measure can describe completely the economic impact of the Federal Government. Since the various receipt and expenditure transactions have different economic effects, a given aggregate will have an economic impact which depends on the composition of the total. In addition, many Government activities besides receipts and expenditures have a bearing on the economy. For example, a rapid expansion in new appropriations and in Government orders could stimulate a rise in business activity long before the authorized funds were paid to the public. Likewise, the enactment of a tax measure or even the expectation of a change in tax rates may affect business planning or activity well before the cash flows between the Federal Government and the public occur. Federal guarantees and insurance of private loans may also affect activity in the economy, even though they normally entail relatively small Government expenditures. Aside from the significance of interest payments to the public, the management of the public debt is a further important factor which has particular impact in the money and credit markets of the economy.

Reconciliation with Treasury cash deposits and withdrawals.—The daily statement of the Treasury presents a consolidated cash statement of Treasury operating transactions similar in general concept to Federal receipts from and payments to the public. However, it is limited in coverage to those transactions affecting the accounts of the Treasurer of the United States.

RECONCILIATION OF FEDERAL GOVERNMENT RECEIPTS FROM THE PUBLIC WITH TREASURY CASH DEPOSITS

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
Federal receipts from the public.....	\$81,660	\$94,796	\$102,178
Receipts from exercise of monetary authority.....	44	40	48
Net difference in actual year due to reporting method.....	-93		
Equals: Treasury cash deposits.....	81,612	94,836	102,226

RECONCILIATION OF FEDERAL GOVERNMENT PAYMENTS TO THE PUBLIC WITH TREASURY CASH WITHDRAWALS

[In millions]

Description	1959 actual	1960 estimate	1961 estimate
Federal payments to the public.....	\$94,804	\$95,338	\$96,257
Less—			
Payments to the public not reflected in accounts of the Treasurer of the United States (net):			
From cash held outside Treasury ¹	23	88	
From proceeds of sales in the market of agency obligations and U.S. securities ²	646		
Net difference in actual year due to reporting method.....	-93		
Equals: Cash withdrawals from Treasury.....	94,042	95,250	96,257

¹ Represents increase (—) or decrease in Government agencies' balances outside Treasury.

² Includes only net sales by Government agencies and trust funds which were not reflected in the accounts of the Treasurer of the United States.

Receipts from exercise of monetary authority, since they constitute funds available to the Treasurer, are included in Treasury cash deposits.

The adjustment "net difference in actual year due to reporting method," which appears in both preceding reconciliation tables, is necessary because of the method used by the Treasury in reconciling its accounts for checks being cleared and the corresponding adjustment made in the preparation of the receipts from and payments to the public data. This adjustment is applied to payments instead of adjusting receipts and payments separately, and is used to change the Treasury "checks issued" data to a "checks paid" basis.

A further adjustment is necessary in the reconciliation of "payments" with "withdrawals" since the concept of payments to the public is more inclusive than Treasury cash withdrawals and includes payments by Government agencies from their own cash balances or from accounts in commercial banks. These payments are measured by net changes in cash held outside the Treasury and by net proceeds realized by Government agencies and trust funds from sales of securities in the open market that were not reflected in the Treasurer's account.

NOTE.—A detailed reconciliation of the differences between the budget totals, Federal Government receipts from and payments to the public, and Treasury cash deposits and withdrawals is available on request from the Bureau of the Budget.

SPECIAL ANALYSIS B

ANALYSIS OF BUDGET RECEIPTS

Estimates based on existing and proposed legislation

This special analysis provides supporting detail for the figures on budget receipts by source which are included in the tables of the budget message and in table 1 of part I.

The estimates of receipts from taxes and customs for the current and coming fiscal years are prepared by the Treasury Department. In general, the estimates of miscellaneous receipts are prepared by the agencies depositing these receipts in the Treasury.

The estimates are based on the assumption of a continued rise in the level of economic activity through the period underlying fiscal year 1961 receipts. The revenue estimates are consistent with an increase in the gross national product from about \$480 billion in calendar year 1959 to about \$510 billion in calendar year 1960. It is also assumed for fiscal year 1961 that legislation will be enacted extending present corporation income and excise tax rates for a year beyond June 30, 1960; that aviation gas taxes will be increased and a new tax imposed on jet fuels, and both credited to the general fund; and that adequate fees and charges will be established for special services or benefits, as recommended by the President.

Detailed estimates of budget receipts under both existing and proposed legislation are contained on pages 904 to 906.

BUDGET RECEIPTS

Receipts in the fiscal year 1959 were adversely affected by the 1957-58 recession. The recovery and growth in business activity and profits which commenced in the middle of calendar year 1958 are expected to result in an increase of \$10.3 billion in receipts in the fiscal year 1960 as compared to 1959 and a further rise in receipts of \$5.4 billion for 1961. The amounts estimated for 1960 and 1961—\$78.6 billion and \$84 billion, respectively—are substantially higher than the level attained in any past year.

RECEIPTS BY MAJOR SOURCES

Actual receipts for 1959 and estimated receipts for 1960 and 1961 are compared by major sources in the following table. The amount shown for each receipt source is the net amount after deduction of refunds and transfers to trust funds.

Net budget receipts
[In millions]

Source	1959 actual	1960 estimate	1961 estimate	Increase (+) or decrease (-), 1961 over 1960
Individual income taxes.....	\$36,719	\$40,306	\$43,706	+\$3,400
Corporation income taxes.....	17,309	22,200	23,500	+1,300
Excise taxes.....	8,504	9,100	9,523	+423
Employment taxes.....	321	333	340	+7
Estate and gift taxes.....	1,333	1,470	1,620	+150
Taxes not otherwise classified.....	5	5	5	-----
Customs.....	925	1,176	1,376	+200
Miscellaneous receipts.....	3,155	4,010	3,930	-80
Net budget receipts.....	68,270	78,600	84,000	+5,400

The individual income tax is estimated to remain, by far, the most important tax source in 1960 and 1961. Revenues from individual income taxes are about double the corporation income tax; together, the two income taxes are estimated to account for 80% of receipts in 1961.

Substantial increases are estimated for all major tax sources for the fiscal year 1961, with the largest share of the increase provided by the individual income tax. Another significant increase is provided by the corporation income tax.

Individual income taxes.—Individual income tax receipts are estimated to increase by \$3.4 billion in fiscal year 1961. The rise of \$7 billion in receipts from this source since 1959 reflects the growth in personal income which was resumed in mid-1958 and is estimated to continue through the fiscal year 1961.

Corporation income taxes.—Receipts from corporation income taxes in each fiscal year are determined primarily by corporate profits of the calendar year ending in the fiscal year. Thus, receipts in fiscal year 1960 largely reflect calendar year 1959 profits and receipts in fiscal year 1961, calendar year 1960 profits. Substantial gains have been reported for profits following the depressed first half of calendar year 1958. Although restrained somewhat by the steel strike in the fall, profits for calendar year 1959 will average substantially above those for calendar year 1958. As a result, corporation income tax receipts are estimated to rise from \$17.3 billion in 1959 to \$22.2 billion in 1960. It is expected that profits will show a further rise for calendar year 1960 as compared with calendar year 1959 and will result in a rise of \$1.3 billion in corporation income taxes to a total of \$23.5 billion for 1961.

Comparisons of receipts in these years are affected by (1) the completion with fiscal year 1960 of the accelerated schedule of corporation income tax payments, and (2) the postponement from June to September 1959 of the payment of a substantial portion of life insurance liabilities for calendar year 1958 as a result of the Life Insurance Company Income Tax Act of 1959.

Excise taxes.—The yield of the excise taxes is shown in the following table:

Excise tax receipts
[In millions]

Source	1959 actual	1960 estimate	1961 estimate	Increase (+) or decrease (-), 1961 over 1960
Alcohol taxes.....	\$3,002	\$3,142	\$3,243	+\$101
Tobacco taxes.....	1,807	1,892	1,957	+65
Taxes on documents, other instruments, and playing cards.....	134	138	143	+5
Manufacturers' excise taxes.....	3,959	4,821	5,332	+511
Retailers' excise taxes.....	356	377	395	+18
Miscellaneous excise taxes.....	1,436	1,395	1,487	+92
Undistributed depository receipts and unapplied collections.....	66	46	-----	-46
Gross excise taxes.....	10,760	11,811	12,557	+746
Deduct—				
Refunds of receipts.....	84	84	84	-----
Transfer to Highway trust fund.....	2,171	2,627	2,950	+323
Net excise taxes.....	8,504	9,100	9,523	+423

Gross excise tax receipts are estimated to increase \$1,051 million in 1960 and to rise further by \$746 million in 1961. However, receipts transferred to the Highway trust fund are estimated to increase by \$456 million in 1960 and by \$323 million in 1961. Consequently, the increase

SPECIAL ANALYSIS B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

in net excise taxes remaining as general fund receipts is reduced to \$596 million in 1960 and \$423 million in 1961.

Receipts transferred to the Highway trust fund will be augmented in 1960 and 1961 by an estimated increase in sales of taxable products, but the major reason for the much higher transfers is the increase of 1 cent per gallon in the tax rates on gasoline and diesel fuel effective October 1, 1959, and continuing until June 30, 1961. The increase in rates affects year-to-year comparisons since it is only partly effective in 1960 but fully operative in 1961. The amount transferred in 1961 is reduced by the retention in general fund receipts of the revenue from the tax on aviation gasoline under proposed legislation.

Net excise tax receipts in 1960 and 1961 are expected to increase because of the much higher volume of sales of taxable goods and services estimated to accompany higher consumer incomes. The increase is much larger for 1960 than for 1961 primarily because of the difference in the rate of increase in receipts from the tax on passenger automobiles. Receipts from this tax in 1960 are estimated to increase \$346 million because of the sharp rise in production from the reduced level in the calendar year 1958. In 1961, a much more moderate increase of \$65 million in receipts from this tax is estimated. However, increases in 1960 are generally greater than in 1961 because receipts in 1959 were adversely affected by the leveling off of personal incomes which lasted for about 1 year until the middle of the calendar year 1958.

Part of the rise in sales of excise receipts which is estimated to occur in 1960 because of the rise in taxable goods and services is offset by the effect of the repeal of taxes on the transportation of property and oil by pipeline.

The estimate for excise tax receipts in 1961 includes the effect of the proposed legislation for aviation fuels. Under this proposal receipts from the tax on aviation gasoline will be credited to the general fund, the net rate will be increased from 2 to 4½ cents per gallon, and a new tax at the 4½-cent rate will be imposed on jet fuel.

Employment taxes.—Receipts from the Federal Insurance Contributions Act and the Self-Employment Contributions Act are estimated to increase by \$2,088 million in 1960 and \$1,573 million in 1961. These increases are expected to occur partly because of growing levels of taxable wages, but principally because of changes in law effective January 1, 1959, and January 1, 1960. The January 1, 1959, changes consisted of an increase of one-fourth of 1% each in the tax rate on employers and employees and an increase in the maximum amount taxable from \$4,200 to \$4,800. These changes were partially reflected, therefore, in fiscal year 1959 receipts but fully reflected in fiscal year 1960 receipts. A further increase

of one-half of 1% each on employers and employees was effective on January 1, 1960, partially affecting 1960 receipts but wholly effective in fiscal year 1961.

Increases in fiscal years 1960 and 1961 are also estimated for receipts from the Railroad Retirement Tax Act and the Federal Unemployment Tax Act.

The yield of the employment taxes is shown in the following table:

Employment tax receipts

[In millions]

Source	1959 actual	1960 estimate	1961 estimate	Increase (+) or decrease (−), 1961 over 1960
Federal Insurance Contributions Act and Self-Employment Contributions Act.....	\$8,004	\$10,092	\$11,665	+\$1,573
Railroad Retirement Tax Act.....	525	630	660	+30
Federal Unemployment Tax Act.....	324	335	342	+7
Gross employment taxes.....	8,854	11,057	12,667	+1,610
Deduct—				
Refunds of receipts.....	3	2	2	-----
Transfers to—				
Federal old-age and survivors insurance trust fund.....	7,158	9,164	10,693	+1,529
Federal disability insurance trust fund.....	847	928	972	+44
Railroad retirement account.....	525	630	660	+30
Net employment taxes.....	321	333	340	+7

Estate and gift taxes.—Receipts from the estate and gift taxes are expected to increase by about the same amounts in fiscal years 1960 and 1961. Because of the length of time after date of death permitted in the filing of estate tax returns, and because estate taxes represent the bulk of these receipts, the income from this source does not immediately reflect changes in security and other asset values.

Customs.—Customs receipts are estimated to increase appreciably in both 1960 and 1961 as taxable imports rise with expanded business activity.

Miscellaneous receipts.—The estimated increase of \$855 million in 1960 is attributable for the most part to larger collections of interest on loans and of dividends and other earnings. Because of the nonrecurring nature of some of the collections in 1960, a small decrease is forecast for 1961. The 1961 estimate includes amounts under proposed legislation to increase charges for government services which provide special benefits to identifiable individuals or groups.

SPECIAL ANALYSIS B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

REFUNDS

The net budget receipts by source in the first table of this analysis are shown after deduction of transfers to trust funds and refunds of receipts. Details on the transfers to trust funds are shown in the preceding tables on excise and employment tax receipts. Refunds of receipts are summarized in the following table:

Refunds of receipts
[In millions]

Type	1959 actual	1960 estimate	1961 estimate	Increase (+) or de- crease (—), 1961 over 1960
Individual income taxes.....	\$4,016	\$4,394	\$4,694	+\$300
Corporation income taxes.....	782	800	800	-----
Excise taxes.....	84	84	84	-----
Employment taxes.....	3	2	2	-----
Estate and gift taxes.....	20	30	30	-----
Taxes not otherwise classified.....	1	1	1	-----
Customs.....	23	24	24	-----
Miscellaneous receipts.....	3	3	2	-1
Total refunds of receipts.....	4,933	5,337	5,637	+300

Budget receipts by source before deduction of refunds of receipts and transfers to trust funds are shown below:

Budget receipts by source before deducting transfers to trust funds and refunds of receipts

[In millions]

Source	1959 actual	1960 estimate	1961 estimate	Increase (+) or de- crease (—), 1961 over 1960
Individual income taxes.....	\$40,735	\$44,700	\$48,400	+\$3,700
Corporation income taxes.....	18,092	23,000	24,300	+1,300
Excise taxes.....	10,760	11,811	12,557	+746
Employment taxes.....	8,854	11,057	12,667	+1,610
Estate and gift taxes.....	1,353	1,500	1,650	+150
Taxes not otherwise classified.....	5	6	6	-----
Customs.....	948	1,200	1,400	+200
Miscellaneous receipts.....	3,158	4,013	3,932	-81
Subtotal.....	83,904	97,286	104,912	+7,626
Deduct—				
Refunds of receipts.....	4,933	5,337	5,637	+300
Transfers to trust funds.....	10,701	13,349	15,275	+1,926
Net budget receipts.....	68,270	78,600	84,000	+5,400

SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS

BY SOURCE

Estimates based on existing and proposed legislation

[In thousands]

Source	1959 actual	1960 estimate	1961 estimate	Source	1959 actual	1960 estimate	1961 estimate
Individual income taxes:				Excise taxes—Continued			
Withheld.....	\$29,001,375	\$32,100,000	\$35,200,000	Manufacturers' excise taxes—Continued			
Other.....	11,733,369	12,600,000	13,200,000	Under existing legislation—Continued			
Gross individual income taxes.....	40,734,744	44,700,000	48,400,000	Electric, gas, and oil appliances.....	\$62,373	\$69,000	\$72,000
Less refunds.....	4,016,080	4,394,000	4,694,000	Electric light bulbs.....	29,401	33,000	36,000
Net individual income taxes.....	36,718,664	40,306,000	43,706,000	Radio and television receiving sets, phonographs, phonograph records, and musical instruments.....	187,697	223,000	239,000
Corporation income taxes:				Mechanical refrigerators, quick freeze units, and self-contained air-conditioning units.....	40,593	48,000	52,000
Under existing legislation.....	18,091,509	23,000,000	23,100,000	Business and store machines.....	93,894	100,000	103,000
Under proposed legislation.....			1,200,000	Photographic equipment.....	24,288	26,000	28,000
Gross corporation income taxes under existing and proposed legis- lation.....	18,091,509	23,000,000	24,300,000	Matches.....	5,262	5,000	5,000
Less refunds.....	782,465	800,000	800,000	Sporting goods, including fishing rods, creels, etc.....	17,265	19,000	21,000
Net corporation income taxes under existing and proposed legislation.....	17,309,044	22,200,000	23,500,000	Firearms, shells and cartridges.....	13,909	15,000	16,000
Excise taxes:				Pistols and revolvers.....	2,028	2,000	2,000
Alcohol taxes:				Fountain and ball-point pens, mechanical pencils.....	8,444	9,000	9,000
Under existing legislation:				Total manufacturers' excise taxes under existing legisla- tion.....	3,958,789	4,821,000	4,874,000
Distilled spirits (domestic and im- ported).....	2,098,496	2,220,000	2,152,000	Under proposed legislation.....			458,000
Beer.....	767,205	785,000	709,000	Total manufacturers' excise taxes under existing and proposed legis- lation.....	3,958,789	4,821,000	5,332,000
Rectification tax.....	22,037	21,000	21,000	Retailers' excise taxes:			
Wines (domestic and imported).....	90,918	91,000	84,000	Jewelry.....	156,382	163,000	168,000
Special taxes in connection with liquor occupations.....	23,440	25,000	25,000	Furs.....	29,909	31,000	32,000
Total alcohol taxes under exist- ing legislation.....	3,002,096	3,142,000	2,991,000	Toilet preparations.....	107,968	120,000	130,000
Under proposed legislation.....			252,000	Luggage, handbags, wallets, etc.....	61,468	63,000	65,000
Total alcohol taxes under existing and proposed legislation.....	3,002,096	3,142,000	3,243,000	Total retailers' excise taxes.....	355,728	377,000	395,000
Tobacco taxes:				Miscellaneous excise taxes:			
Under existing legislation:				Under existing legislation:			
Cigarettes (small).....	1,738,045	1,825,000	1,672,000	Toll telephone service, telegraph and teletypewriter service, wire mileage service, etc.....	292,412	319,000	335,000
Manufactured tobacco (chewing, smoking, and snuff).....	16,916	16,500	16,000	General telephone service.....	398,023	435,000	113,000
Cigars (large).....	50,696	49,700	50,200	Transportation of oil by pipeline.....	7,962		
Cigarette papers and tubes.....	749	700	700	Transportation of persons.....	227,044	246,000	155,000
All other.....	410	100	100	Transportation of property.....	143,250	3,000	
Total tobacco taxes under existing legislation.....	1,806,816	1,892,000	1,739,000	Diesel fuel, including special motor fuels.....	52,528	81,000	93,000
Under proposed legislation.....			218,000	Use tax on certain vehicles.....	32,532	36,000	38,000
Total tobacco taxes under existing and proposed legislation.....	1,806,816	1,892,000	1,957,000	Admissions, exclusive of cabarets, roof gardens, etc.....	49,977	35,000	35,000
Taxes on documents, other instruments, and playing cards:				Cabarets, roof gardens, etc.....	45,117	47,000	49,000
Issues of securities, stock and bond transfers, and deeds of conveyance.....	126,225	130,200	135,200	Wagering taxes, including occupa- tional taxes.....	6,787	7,000	7,000
Playing cards.....	7,558	7,700	7,700	Club dues and initiation fees.....	64,813	67,000	70,000
Silver bullion sales or transfers.....	34	100	100	Leases of safe deposit boxes.....	6,142	6,000	6,000
Total taxes on documents, other in- struments, and playing cards.....	133,817	138,000	143,000	Coconut and other vegetable oils, processed.....	1,689	1,000	17,000
Manufacturers' excise taxes:				Sugar tax.....	86,378	88,000	89,000
Under existing legislation:				Coin-operated amusement and gaming devices.....	16,894	19,000	20,000
Gasoline.....	1,700,253	2,075,000	2,404,000	Bowling alleys and billiard and pool tables.....	3,403	4,000	4,000
Lubricating oils.....	73,685	78,000	80,000	All other miscellaneous excise taxes.....	1,000	1,000	925
Passenger automobiles.....	1,039,272	1,385,000	1,100,000	Total miscellaneous excise taxes under existing legislation.....	1,435,953	1,395,000	1,031,925
Automobile trucks, buses, and trailers.....	215,279	258,000	262,000	Under proposed legislation.....			455,000
Parts and accessories for automo- biles.....	166,234	170,000	122,000	Total miscellaneous excise taxes under existing and proposed leg- islation.....	1,435,953	1,395,000	1,486,925
Tires, inner tubes, and tread rubber.....	278,911	306,000	318,000				

SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Estimates based on existing and proposed legislation—Continued

[In thousands]

Source	1959 actual	1960 estimate	1961 estimate	Source	1959 actual	1960 estimate	1961 estimate
Excise taxes—Continued				Miscellaneous receipts—Continued			
Undistributed depositary receipts and unapplied collections.....	\$66,351	\$45,650		Under existing legislation—Continued			
Gross excise taxes under existing legislation.....	10,759,549	11,810,650	\$11,173,925	Fines, penalties, and forfeitures:			
Less refunds.....	84,370	83,650	298,925	Fines, penalties, and forfeitures, agricultural laws.....	\$12,748	\$12,501	\$12,581
Less transfer to Highway trust fund.....	2,171,016	2,627,000	2,984,000	Fines, penalties, and forfeitures, economic stabilization laws.....	64	70	70
Net excise taxes under existing legislation.....	8,504,163	9,100,000	7,891,000	Fines, penalties, and forfeitures, immigration and labor laws.....	269	268	268
Rate extensions and increases under proposed legislation.....			1,383,000	Fines, penalties, and forfeitures, customs, commerce, and anti-trust laws.....	2,676	2,653	2,684
Reduction in refunds under proposed legislation.....			215,000	Fines, penalties, and forfeitures, narcotic, prohibition, and alcohol laws.....	75	124	124
Decrease in transfer to Highway trust fund under proposed legislation.....			34,000	Forfeitures of unclaimed money and property.....	540	453	553
Net excise taxes under existing and proposed legislation.....	8,504,163	9,100,000	9,523,000	Fines, penalties, and forfeitures, not otherwise classified.....	6,727	2,766	2,785
Employment taxes:				Total fines, penalties, and forfeitures.....	23,099	18,835	19,065
Federal Insurance Contributions Act and Self-Employment Contributions Act.....	8,004,355	10,092,000	11,665,000	Gifts and contributions:			
Railroad Retirement Tax Act.....	525,369	630,050	660,050	Contributions to "conscience fund".....	419	258	228
Federal Unemployment Tax Act.....	324,020	335,000	342,000	Gifts.....	237	96	84
Gross employment taxes.....	8,853,744	11,057,050	12,667,050	Total gifts and contributions.....	656	354	312
Less refunds.....	3,492	2,050	2,050	Interest:			
Less transfers to—				Interest on loans to Government-owned enterprises.....	342,272	724,682	766,332
Federal old-age and survivors insurance trust fund.....	7,157,674	9,164,000	10,693,000	Interest on loans to Government-sponsored enterprises.....	969	3,100	3,100
Federal disability insurance trust fund.....	846,681	928,000	972,000	Interest on loans to States, municipalities, and other public bodies.....	337	353	470
Railroad retirement account.....	525,220	630,000	660,000	Interest on domestic loans to individuals and private organizations.....	82,190	94,223	104,994
Net employment taxes.....	320,677	333,000	340,000	Interest on foreign loans and deferred payments.....	149,259	150,418	145,705
Gross estate and gift taxes.....	1,352,982	1,500,000	1,650,000	Interest on public deposits.....	3,328	3,015	1,667
Less refunds.....	20,073	30,000	30,000	Miscellaneous interest collections.....	22,586	30,925	30,633
Net estate and gift taxes.....	1,332,910	1,470,000	1,620,000	Total interest.....	600,941	1,006,716	1,052,903
Gross taxes not otherwise classified.....	5,444	5,700	5,700	Dividends and other earnings:			
Less refunds.....	678	700	700	Surplus from liquidated enterprises.....	2	1	1
Net taxes not otherwise classified.....	4,765	5,000	5,000	Earnings from Government-sponsored enterprises.....	502,987	1,039,338	838,887
Gross customs.....	948,412	1,200,000	1,400,000	Gain by exchange.....	121	222	132
Less refunds.....	23,221	24,000	24,000	Miscellaneous dividends and earnings.....	3,043	3,204	3,797
Net customs.....	925,192	1,176,000	1,376,000	Total dividends and other earnings.....	506,154	1,042,855	842,817
Miscellaneous receipts:				Rents:			
Under existing legislation:				Rent of land.....	13,074	13,283	13,736
Miscellaneous taxes.....	4,228	4,250	4,250	Rent on Outer Continental Shelf lands.....	1,146	2,000	3,000
Seigniorage.....	44,132	40,300	48,550	Rent of real property, not otherwise classified.....	30,070	39,173	49,436
Bullion charges.....	2,846	2,835	2,835	Rent of equipment and other personal property.....	48,622	51,133	50,197
Fees for permits and licenses:				Total rents.....	92,912	105,589	116,369
Admission permits and fees.....	4,806	5,082	5,347	Royalties:			
Business concessions.....	8,009	7,115	7,892	Royalties on Outer Continental Shelf lands.....	2,266	98,000	117,000
Immigration, passport, and consular fees.....	16,487	17,724	18,519	Miscellaneous royalties on natural resources.....	90,709	98,516	103,516
Patent and copyright fees.....	8,325	8,604	8,829				
Registration and filing fees.....	3,345	3,439	5,533				
Landing fees, airports.....	438	425	425				
Miscellaneous fees for permits and licenses.....	12,205	14,555	14,775				
Total fees for permits and licenses.....	53,614	56,944	61,320				

SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Estimates based on existing and proposed legislation—Continued

[In thousands]

Source	1959 actual	1960 estimate	1961 estimate	Source	1959 actual	1960 estimate	1961 estimate
Miscellaneous receipts—Continued				Miscellaneous receipts—Continued			
Under existing legislation—Continued				Under existing legislation—Continued			
Royalties—Continued				Realization upon loans and investments:			
Royalties on patents and copyrights.....	\$7	\$15	\$15	Repayment of capital investment, Government-owned enterprises.....		\$10,000	
Total royalties.....	92,981	196,531	220,531	Repayment of investment in liquidated enterprises and special funds.....	\$2,485	2,800	\$2,000
Sale of products:				Repayment of capital investment, Government-sponsored enterprises.....	4,697	3	3
Sale of agricultural products, livestock and livestock products.....	205	201	202	Repayment of loans to States, municipalities, and other public bodies.....	783	618	926
Sale of timber, wildlife and other natural land products.....	157,306	178,580	180,706	Repayment of domestic loans to individuals and private organizations.....	319,771	325,278	347,425
Sale of minerals and mineral products.....	8,910	10,010	10,010	Repayment of foreign loans.....	248,678	123,203	97,414
Sale of power and other utilities.....	174,270	173,051	181,717	Repayment on miscellaneous recoverable costs.....	8,705	7,479	7,474
Sale of publications and reproductions.....	4,492	4,605	4,777	Miscellaneous repayment on loans and investments.....	1,598	1,616	1,647
Sale of miscellaneous products and byproducts.....	4,414	5,259	5,257	Total realization upon loans and investments.....	586,717	470,997	457,789
Total sale of products.....	349,598	371,706	382,669	Recoveries and refunds:			
Fees and other charges for services and special benefits:				Compensation for Government property lost or damaged.....	6,891	7,189	6,884
Fees and other charges for administrative, professional, and judicial services.....	8,312	8,841	8,798	War reparations and recoveries under military occupation.....	1,344	30	30
Fees and other charges for communication and transportation services.....	8,408	8,220	8,225	Recoveries of excess profits and costs.....	23,152	22,045	25,654
Charges for subsistence, laundry, and health services.....	3,627	3,789	3,826	Recoveries under foreign aid programs.....	111,631	81,091	79,699
Charges for testing, inspection, and grading services.....	3,280	2,556	2,559	Recoveries on guarantees and indemnities.....	167		
Fees and other charges for services provided to the District of Columbia.....	3,725	4,416	4,271	Refunds of erroneous payments.....	20,808	20,791	20,791
Fees and other charges for special benefits.....	613	797	1,523	Miscellaneous recoveries and refunds.....	219,489	73,084	80,348
Fees and other charges for general governmental services.....	11,113	10,539	11,511	Total recoveries and refunds.....	383,482	204,230	213,406
Charges under intergovernmental defense agreements.....	46,458	23,100		Gross miscellaneous receipts under existing legislation.....	3,157,881	4,012,600	3,920,625
Fees and other charges for miscellaneous services.....	6,180	6,801	6,928	Under proposed legislation.....			11,700
Total fees and other charges for services and special benefits.....	91,716	69,059	47,641	Gross miscellaneous receipts under existing and proposed legislation.....	3,157,881	4,012,600	3,932,325
Sale of Government property:				Less refunds.....	3,043	2,600	2,325
Sale of public domain.....	5,763	5,577	5,883	Net miscellaneous receipts under existing and proposed legislation.....	3,154,838	4,010,000	3,930,000
Sale of other real property.....	20,403	22,564	24,742	Net budget receipts.....	68,270,253	78,600,000	84,000,000
Sale of equipment and other personal property.....	174,297	225,876	228,504				
Sale of scrap and salvage materials.....	124,342	167,392	191,039				
Total sale of Government property.....	324,805	421,399	450,168				

SPECIAL ANALYSIS C

ANALYSIS OF BUDGET BY FUNCTION AND AGENCY

This special analysis gives the details for the functional breakdown of new obligational authority and budget expenditures used in the budget message and in some of the tables of part I.

For each function and subfunction, data are listed by agencies. In order to find the appropriation items which make up the amounts shown for the agency, it is necessary to look in the chapter summary for that agency. Each entry in the chapter summary is coded to indicate the subfunction in which it is classified.

For purposes of this classification each appropriation account and each revolving and management fund is treated as a unit. Exceptions are made, and accounts are split into two or more categories, in only selected cases. This necessarily involves some close decisions in borderline cases, and it means that programs with secondary significance for some major functions will be in-

cluded in another category because another objective predominates in the particular appropriation. Thus, to secure a comprehensive total of all Government programs related to education, for example, it would be necessary to provide a special tabulation, counting in this category some appropriations which might also be relevant to other categories.

Whereas this special analysis presents both authorizations and expenditures for major functions, subfunctions, and agencies over a 3-year period, special analysis G shows expenditures for the major functions and subfunctions over a 10-year period. Special analysis A shows Federal Government payments to the public, classified by major function.

The allowance for contingencies constitutes an additional entry in the tabulations for the years 1960 and 1961.

SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET

BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
MAJOR NATIONAL SECURITY						
061 Military defense:						
Department of Defense—Military.....	\$41,167,937	\$40,647,125	\$40,577,000	\$41,232,707	\$40,945,000	\$40,995,000
066 Development and control of atomic energy:						
Independent offices: Atomic Energy Commission.....	2,723,325	2,801,983	2,665,800	2,541,060	2,675,121	2,689,000
067 Stockpiling and defense production expansion:						
Funds appropriated to the President.....	108,000			239,119	169,582	89,145
General Services Administration.....	3,000		39,132	73,293	60,000	45,000
Total, stockpiling and defense production expansion.....	111,000		39,132	312,412	229,582	134,145
068 Military assistance:						
Department of Defense—Military.....	1,515,000	1,300,000	2,090,000	2,340,278	1,800,000	1,750,000
Total, major national security.....	45,517,262	44,749,108	45,281,032	46,426,457	45,649,703	45,568,145
Enacted or recommended in this document.....	45,517,262	44,724,108	45,257,932	46,426,457	45,626,703	45,544,145
Proposed for later transmission.....		25,000	24,000		23,000	24,000
INTERNATIONAL AFFAIRS AND FINANCE						
151 Conduct of foreign affairs:						
Independent offices: Tariff Commission.....	1,959	2,135	2,455	2,004	2,108	2,420
General Services Administration.....	3,750			363	2,750	637
Department of State.....	214,211	199,300	253,604	234,986	205,377	246,443
Total, conduct of foreign affairs.....	219,920	201,435	256,059	237,353	210,235	249,500
152 Economic and technical development:						
Funds appropriated to the President.....	1,933,092	1,925,813	2,175,000	1,524,365	1,550,001	1,700,000
Independent offices: Export-Import Bank of Washington.....				390,398	—56,087	—7,310
General Services Administration.....				—1,018	1,011	267
Department of Agriculture.....	119,270	104,508	115,000	97,928	115,000	120,000
Department of Commerce.....	10,000			15,938	22,999	10,000
Department of Defense—Civil.....				—99		
Department of State.....		1,000	1,000	706	1,002	1,000
Treasury Department.....	4,550,000	280,000		1,375,000	80,000	
Total, economic and technical development.....	6,612,362	2,311,321	2,291,000	3,403,218	1,713,926	1,823,957
153 Foreign information and exchange activities:						
Funds appropriated to the President.....	6,410	6,146	8,600	8,010	6,700	8,100
Independent offices: United States Information Agency.....	118,924	118,234	123,793	109,454	110,300	124,400
Department of State.....	23,997	59,788	35,560	21,688	24,417	36,336
Total, foreign information and exchange activities.....	149,331	184,168	167,953	139,152	141,417	168,836
Total, international affairs and finance.....	6,981,613	2,696,924	2,715,012	3,779,723	2,065,578	2,242,293
Enacted or recommended in this document.....	6,981,613	2,647,468	2,666,012	3,779,723	2,058,208	2,180,277
Proposed for later transmission.....		49,456	49,000		7,370	62,016
VETERANS SERVICES AND BENEFITS						
101 Veterans education and training:						
Independent offices: Veterans Administration.....	547,174	470,480	285,912	573,793	445,480	315,949
102 Other veterans readjustment benefits:						
Independent offices: Veterans Administration.....	133,326	114,520	124,088	133,338	114,872	124,105
Department of Labor.....	44,000	8,000		44,000	8,000	
Total, other veterans readjustment benefits.....	177,326	122,520	124,088	177,338	122,872	124,105
103 Veterans compensation and pensions:						
Independent offices: Veterans Administration.....	3,273,300	3,405,000	3,840,000	3,274,568	3,407,050	3,840,000
104 Veterans insurance and servicemen's indemnities:						
Independent offices: Veterans Administration.....	51,787	53,690	49,485	35,256	35,780	31,322
105 Veterans hospitals and medical care:						
Independent offices: Veterans Administration.....	898,922	945,279	1,008,471	920,587	965,692	990,450

¹ Includes amounts for special foreign currency programs recommended in this document.

SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
VETERANS SERVICES AND BENEFITS—Continued						
106 Other veterans services and administration:						
Independent offices:						
American Battle Monuments Commission.....	\$1,268	\$1,295	\$1,320	\$3,562	\$3,070	\$2,785
Veterans Administration.....	166,882	168,442	156,574	181,175	167,936	155,975
Department of Defense—Civil.....	7,450	8,964	9,400	7,284	8,500	9,560
Department of Labor.....	586	592	596	596	597	589
Total, other veterans services and administration.....	176,186	179,293	167,890	192,617	180,103	168,909
Total, veterans services and benefits.....	5,124,695	5,176,262	5,475,846	5,174,159	5,156,977	5,470,735
Enacted or recommended in this document.....	5,124,695	5,062,085	5,475,846	5,174,159	5,042,800	5,470,735
Proposed for later transmission.....		114,177			114,177	
LABOR AND WELFARE						
211 Labor and manpower:						
Independent offices:						
Federal Coal Mine Safety Board of Review.....	70	70	70	51	69	70
Federal Mediation and Conciliation Service.....	3,879	3,905	4,093	3,990	3,894	4,082
National Labor Relations Board.....	13,257	15,480	17,300	12,580	15,170	16,970
National Mediation Board.....	1,432	1,437	1,555	1,393	1,421	1,545
Selective Service System.....	29,557	29,278	32,950	30,308	28,221	32,275
Department of the Interior.....	6,363	6,387	6,782	6,596	6,400	6,700
Department of Labor.....	363,070	360,542	374,764	789,118	359,512	358,812
Treasury Department.....			14,535			14,535
Total, labor and manpower.....	417,628	417,099	452,049	844,036	414,687	434,989
212 Public assistance:						
Department of Health, Education, and Welfare.....	1,960,468	2,046,182	2,086,772	1,969,012	2,055,703	2,086,563
213 Promotion of public health:						
Independent offices: Interstate Commission on the Potomac River Basin.....	5	5	5	5	5	5
General Services Administration.....	1,020			3,579	2,500	1,500
Department of Health, Education, and Welfare.....	823,330	910,973	847,342	700,327	847,792	902,089
Total, promotion of public health.....	824,355	910,978	847,347	703,911	850,297	903,594
214 Promotion of education:						
Legislative branch.....	1,368	1,619	1,718	1,265	1,531	1,681
Independent offices: National Science Foundation.....	64,356	66,735	69,675	50,947	53,930	58,584
Department of Health, Education, and Welfare.....	400,982	450,774	411,032	356,474	435,293	444,653
Department of the Interior.....	57,899	60,986	63,669	58,815	58,000	60,500
Total, promotion of education.....	524,605	580,114	546,094	467,501	548,754	565,448
215 Promotion of science, research, libraries, and museums:						
Legislative branch.....	10,975	11,297	14,490	10,290	12,039	13,578
Funds appropriated to the President.....	5,100				1,480	1,280
Independent offices:						
National Science Foundation.....	74,144	88,038	121,925	55,496	71,070	101,043
Smithsonian Institution.....	9,378	9,552	23,116	11,605	16,373	27,793
Department of Commerce.....	40,089	129,389	78,895	35,786	112,827	69,152
Department of Health, Education, and Welfare.....	6,000	6,103	7,300	5,362	7,113	7,300
Total, promotion of science, research, libraries, and museums.....	145,686	244,379	245,726	118,539	220,902	220,146
216 Correctional and penal institutions:						
Department of Justice.....	43,044	51,075	56,520	38,959	45,857	47,733
217 Other welfare services and administration:						
Department of Agriculture.....	202,045	220,388	224,668	218,461	233,544	234,119
Department of Health, Education, and Welfare.....	64,634	72,929	78,910	60,540	70,884	76,143
Total, other welfare services and administration.....	266,679	293,317	303,578	279,001	304,428	310,262
Total, labor and welfare.....	4,182,465	4,543,144	4,538,086	4,420,959	4,440,628	4,568,735
Enacted or recommended in this document.....	4,182,465	4,520,814	4,538,086	4,420,959	4,423,897	4,563,136
Proposed for later transmission.....		22,330			16,731	5,599

SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Stabilization of farm prices and farm income: Department of Agriculture.....	\$3,854,084	\$3,573,651	\$3,046,032	\$5,126,336	\$3,499,255	\$3,949,620
352 Financing farm ownership and operation: Independent offices: Farm Credit Administration.....	1,997	2,335	2,480	4,551	5,602	7,650
Department of Agriculture.....	279,425	239,445	216,098	245,942	235,507	221,478
Total, financing farm ownership and operation.....	281,422	241,780	218,578	250,493	241,109	229,128
353 Financing rural electrification and rural telephones: Department of Agriculture.....	419,101	249,632	199,632	314,840	334,421	354,595
354 Conservation and development of agricultural land and water resources: Department of Agriculture.....	559,128	709,647	772,015	546,657	739,533	764,563
355 Research and other agricultural services: Department of Agriculture.....	307,311	324,610	333,321	291,138	293,198	324,889
Total agriculture and agricultural resources.....	5,421,046	5,099,320	4,569,578	6,529,464	5,112,516	5,622,795
Enacted or recommended in this document.....	5,421,046	4,395,706	4,537,578	6,529,464	5,110,849	4,905,795
Proposed for later transmission.....		1,703,614	32,000		1,667	717,000
NATURAL RESOURCES						
401 Conservation and development of land and water resources: Independent offices: Federal Power Commission.....	6,991	7,275	7,856	6,967	7,379	7,800
River Basin Study Commissions.....	320	1,540	2,900	89	1,440	2,700
Saint Lawrence Seaway Development Corporation.....				15,357	7,200	3,800
Tennessee Valley Authority.....	16,850	764,904	20,520	7,130	34,533	72,957
Department of Defense—Civil.....	815,816	873,172	936,422	778,544	860,000	910,000
Department of the Interior.....	421,913	393,201	432,488	369,960	372,220	436,621
Department of State.....	4,679	4,583	6,560	5,122	5,049	6,442
Total, conservation and development of land and water resources.....	1,266,569	2,044,675	1,406,746	1,183,169	1,287,821	1,440,320
402 Conservation and development of forest resources: Department of Agriculture.....	185,465	210,839	174,636	189,506	207,606	205,877
Department of the Interior.....	11,112	14,899	16,052	11,112	14,899	16,052
Total, conservation and development of forest resources.....	196,577	225,738	190,688	200,618	222,505	221,929
403 Conservation and development of mineral resources: Department of the Interior.....	74,743	60,443	63,122	70,971	65,561	64,288
404 Conservation and development of fish and wildlife: Department of Defense—Civil.....	21	26	26	21	30	30
Department of the Interior.....	59,748	66,697	66,055	66,625	67,733	69,208
Department of State.....	1,664	1,780	1,925	1,675	1,825	1,925
Total, conservation and development of fish and wildlife.....	61,433	68,503	68,006	68,321	69,588	71,163
405 Recreational use of natural resources: Independent offices: Historical and memorial commissions.....	20	20		20	20	1
Outdoor Recreation Resources Review Commission.....	150	850	1,180	61	815	1,130
Department of the Interior.....	84,073	85,590	52,462	85,428	85,744	85,762
Total, recreational use of natural resources.....	84,243	86,460	53,642	85,509	86,579	86,893
409 General resource surveys and administration: Department of the Interior.....	58,379	52,212	53,377	60,308	53,240	53,186
Total, natural resources.....	1,741,944	2,538,031	1,835,581	1,668,896	1,785,294	1,937,779
Enacted or recommended in this document.....	1,741,944	2,505,954	1,835,581	1,668,896	1,758,926	1,932,570
Proposed for later transmission.....		32,077			26,368	5,209

¹ Includes amounts for special foreign currency programs recommended in this document.

SPECIAL ANALYSIS C—Continued

ANALYSIS OF THE BUDGET—Continued

BY FUNCTION AND AGENCY—Continued

Based on existing and proposed legislation—Continued

[In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
COMMERCE AND HOUSING						
510 Promotion of water transportation:						
Department of Commerce.....	\$288,897	\$310,930	\$298,600	\$200,058	\$257,301	\$263,283
Department of Defense—Civil.....	19,250			6,924	4,391	14,466
Treasury Department.....	241,150	258,050	285,115	229,310	275,789	281,017
Total, promotion of water transportation.....	549,297	568,980	583,715	436,292	537,481	558,766
511 Provision of highways:						
Department of Commerce.....	36,000	36,000		29,515	45,449	3,352
512 Promotion of aviation:						
Independent offices:						
Civil Aeronautics Board.....	52,398	66,408	71,640	52,548	60,395	68,984
Federal Aviation Agency.....	564,981	573,495	717,000	441,400	567,000	681,000
Department of Commerce.....					—20	—1
Total, promotion of aviation.....	617,379	639,903	788,640	493,948	627,375	749,983
513 Space exploration and flight technology:						
Independent offices: National Aeronautics and Space Administration.....	305,364	523,575	802,000	145,491	325,000	600,000
514 Postal service:						
Post Office Department.....	625,238	656,410	2 49,000	773,887	604,400	2 49,000
515 Community development and facilities:						
General Services Administration.....				49		
Housing and Home Finance Agency.....	110,250	359,725	331,750	102,260	231,092	203,073
Department of Health, Education, and Welfare.....				25		
Department of the Interior.....	5,300	350	300	6,087	5,639	477
Total, community development and facilities.....	115,550	360,075	332,050	108,421	236,731	203,560
516 Public housing programs:						
Independent offices: National Capital Housing Authority.....	38	40		35	43	—6
Housing and Home Finance Agency.....	128,074	143,830	159,200	97,280	129,964	147,699
Total, public housing programs.....	128,112	143,870	159,200	97,315	130,007	147,693
517 Other aids to housing:						
Independent offices:						
Federal Home Loan Bank Board.....				—41,009	—49,692	—84,839
Veterans Administration.....	150,000	250,000		113,227	230,496	—12,153
Housing and Home Finance Agency.....	19,648	289,782	160,637	952,689	—168	149,702
Department of Agriculture.....				60,552	42,900	25,700
Total, other aids to housing.....	169,548	539,782	160,637	1,085,459	223,536	78,410
518 Other aids to business:						
Legislative branch.....	1,397	1,450	1,487	1,429	1,450	1,476
Independent offices:						
Alaska International Rail and Highway Commission.....	240			31	155	60
Atomic Energy Commission.....				—61	—23	—2
Small Business Administration.....	231,271	153,940	65,725	106,674	101,628	120,143
General Services Administration.....				—2,327	—4,116	—2,356
Department of Commerce.....	48,073	48,719	119,600	51,171	50,997	67,168
Department of Defense—Civil.....				—9,573	5,521	—437
Department of the Interior.....				2,937	2,205	500
Treasury Department.....				—11,349	—8,591	—8,279
Total, other aids to business.....	280,981	204,109	186,812	138,932	149,226	178,273
519 Regulation of commerce and finance:						
Independent offices:						
Civil Aeronautics Board.....	6,438	6,925	7,600	6,601	6,828	7,555
Federal Communications Commission.....	9,781	10,550	13,500	9,920	10,177	12,110
Federal Trade Commission.....	6,488	6,840	7,600	6,687	6,789	7,525
Interstate Commerce Commission.....	18,748	19,650	20,500	19,341	19,561	20,687
Securities and Exchange Commission.....	7,705	8,100	8,900	7,898	8,003	8,800
Department of Commerce.....	3,173	2,800	2,800	3,230	2,814	2,799
Department of Health, Education, and Welfare.....				—150	—105	—84
Department of Justice.....	4,138	4,500	4,760	4,227	4,182	4,628
Total, regulation of commerce and finance.....	56,471	59,365	65,660	57,754	58,249	64,020

2 Includes proposed postal rate increases of \$554,000 thousand.

SPECIAL ANALYSIS C—Continued
ANALYSIS OF THE BUDGET—Continued
 BY FUNCTION AND AGENCY—Continued
Based on existing and proposed legislation—Continued
 [In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
COMMERCE AND HOUSING—Continued						
520 Civil and defense mobilization:						
Executive Office of the President: Office of Civil and Defense Mobilization.....	\$45,285	\$55,885	\$76,350	\$45,784	\$56,500	\$68,000
Treasury Department.....	-	-	-	-150	-140	-134
Total, civil and defense mobilization.....	45,285	55,885	76,350	45,634	56,360	67,866
521 Disaster insurance, loans, and relief:						
Funds appropriated to the President.....				4,678	8,000	8,000
Independent offices: Small Business Administration.....		1,000		3,186	315	313
Total, disaster insurance, loans, and relief.....		1,000		7,864	8,315	8,313
Total, commerce and housing.....	2,929,225	3,788,954	3,204,064	3,420,512	3,002,129	2,709,226
Enacted or recommended in this document.....	2,929,225	3,717,920	3,701,064	3,420,512	2,895,597	3,262,357
Proposed for later transmission.....		71,034	² -497,000		106,532	² -553,131
GENERAL GOVERNMENT						
601 Legislative functions:						
Legislative branch.....	102,880	96,969	94,854	101,818	120,787	146,314
602 Judicial functions:						
Legislative branch.....	30	30	35	31	30	35
The Judiciary.....	47,862	49,444	52,502	47,074	49,372	52,428
Independent offices: Indian Claims Commission.....	178	180	196	169	183	196
General Services Administration.....				30		
Total, judicial functions.....	48,070	49,654	52,733	47,304	49,585	52,659
603 Executive direction and management:						
Executive Office of the President.....	10,012	10,256	10,977	10,005	10,104	10,882
Funds appropriated to the President.....	1,000	1,125	1,350	514	1,414	1,252
General Services Administration.....		200	250		195	245
Treasury Department.....	1,218	1,318	1,338	1,275	1,319	1,339
Total, executive direction and management.....	12,230	12,899	13,915	11,794	13,032	13,718
604 Federal financial management:						
Independent offices:						
General Accounting Office.....	39,020	41,800	41,150	40,034	40,266	41,000
Renegotiation Board.....	3,025	2,850	2,870	3,082	2,881	2,874
Tax Court of the United States.....	1,522	1,535	1,583	1,485	1,531	1,562
Treasury Department.....	506,544	517,224	549,766	521,587	515,275	545,591
Total, Federal financial management.....	550,112	563,409	595,369	566,188	559,953	591,027
605 General property and records management:						
Independent offices: Central Intelligence Agency.....				6,252	16,000	19,200
General Services Administration.....	489,363	283,892	468,970	284,794	367,529	412,584
Total, general property and records management.....	489,363	283,892	468,970	291,046	383,529	431,784
606 Central personnel management and employment costs:						
Independent offices: Civil Service Commission.....	22,357	21,570	71,175	22,668	21,588	70,893
Department of Labor.....	189,108	181,250	180,127	182,737	176,253	180,112
Total, central personnel management and employment costs.....	211,465	202,820	251,302	205,405	197,841	251,005
607 Civilian weather services:						
Department of Commerce.....	45,248	51,355	63,100	46,410	51,586	57,642

²Includes proposed postal rate increases of \$554,000 thousand.

SPECIAL ANALYSIS C—Continued
ANALYSIS OF THE BUDGET—Continued
 BY FUNCTION AND AGENCY—Continued
Based on existing and proposed legislation—Continued
 [In thousands]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1959 actual	1960 estimate	1961 estimate	1959 actual	1960 estimate	1961 estimate
GENERAL GOVERNMENT—Continued						
608 Protective services and alien control:						
Independent offices:						
Civil Service Commission.....	\$450	\$400	\$467	\$379	\$441	\$466
Commission on Civil Rights.....	777	780	995	655	800	990
Subversive Activities Control Board.....	375	380	395	324	380	395
Department of Justice.....	206,148	210,835	219,620	206,879	208,657	218,639
Treasury Department.....	7,808	8,096	8,227	7,908	8,130	8,229
Total, protective services and alien control.....	215,558	220,491	229,704	216,145	218,408	228,719
609 Territories and possessions, and the District of Columbia:						
Independent offices: National Capital Planning Commission.....	243	2,686	2,833	1,596	2,445	4,706
Department of Defense—Civil.....	24,630	45,052	32,354	23,929	27,773	37,943
Department of the Interior.....	11,090	11,834	16,049	11,793	11,885	15,439
Treasury Department.....	21,004	20,000	20,000	20,964	20,226	20,000
District of Columbia.....	23,361	61,518	53,233	31,111	33,918	47,733
Total, territories and possessions, and the District of Columbia.....	90,328	141,090	124,469	89,393	96,247	125,821
610 Other general government:						
Legislative branch.....	3,463	3,520	3,620	3,012	—339	—712
Funds appropriated to the President.....		10,500	6,000		10,500	6,000
Independent offices:						
Advisory Commission on Intergovernmental Relations.....		50	175		45	175
Commission on International Rules of Judicial Procedure.....	25				25	
Foreign Claims Settlement Commission.....	611	414	260	619	416	258
Historical and memorial commissions.....	499	424	140	357	464	304
Permanent Committee for the Oliver Wendell Holmes Devise.....	13	26	24	52	85	88
Department of Defense—Civil.....	244			420	905	710
Department of the Interior.....	201	293	220	523	410	414
Treasury Department.....	25,113	7,060	5,002	25,094	7,514	5,002
Total, other general government.....	30,169	22,287	15,441	30,077	20,025	12,239
Total, general government.....	1,795,423	1,644,896	1,909,857	1,605,580	1,710,993	1,910,928
Enacted or recommended in this document.....	1,795,423	1,637,448	1,909,682	1,605,580	1,703,706	1,910,599
Proposed for later transmission.....		7,448	175		7,287	329
INTEREST						
651 Interest on the public debt:						
Treasury Department.....	7,592,769	9,300,000	9,500,000	7,592,769	9,300,000	9,500,000
652 Interest on refunds of receipts:						
General Services Administration.....			100	431	100	75
Treasury Department.....	69,480	75,200	75,200	69,480	75,200	75,200
Total, interest on refunds of receipts.....	69,480	75,200	75,300	69,911	75,300	75,275
653 Interest on uninvested funds:						
Treasury Department.....	8,808	9,364	9,609	8,808	9,364	9,609
Total, interest (enacted or recommended in this document).....	7,671,057	9,384,564	9,584,909	7,671,483	9,384,664	9,584,884
ALLOWANCE FOR CONTINGENCIES.....		100,000	300,000		75,000	200,000
Total, new obligatory authority and expenditures.....	81,364,729	79,721,202	79,414,866	80,697,239	78,383,481	79,815,520
Enacted or recommended in this document.....	81,364,729	78,596,066	79,506,691	80,697,239	78,005,349	79,354,498
Proposed for later transmission.....		1,125,136	—91,825		378,132	461,022

SPECIAL ANALYSIS D

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES

INTRODUCTION

This special analysis is designed to contribute to a general understanding of the Federal budget by dividing Government expenditures into two major categories: (1) expenditures yielding benefits primarily in the current year and (2) expenditures yielding benefits primarily beyond the year in which they are made.

Expenditures yielding benefits over a period of years, that is, those of an investment type, are shown in two main classes—the first for acquisition of assets by the Federal Government, and the second for other broad developmental purposes. Additions to Federal assets include loans, outlays for public works, additions to major commodity inventories, expenditures for major equipment such as military missiles, ships, and aircraft, and expenditures for other physical assets. Expenditures for other developmental purposes are defined as those which add to State, local, and private assets or otherwise contribute to the general productivity of the economy. Included in this category are outlays for research and development, education and health, and other programs which add to the Nation's fund of knowledge and technical skills.

Expenditures which yield mainly current benefits are also grouped in two main classes—the first for aids and services to specific groups, and the second for current operating expenses of a more general nature.

In each category of this analysis, major national security expenditures are reported separately from those for all other (civil) programs. Such a distinction is especially helpful in appraising Federal expenditures for assets and other developmental purposes, since military outlays generally have different objectives from civil outlays in comparable categories. Similarly, expenditures for direct Federal programs are separated from grants-in-aid or loans to States and local governments.

Comparison with a capital budget.—The present analysis is not intended to be a capital budget. A capital budget as prepared by some foreign governments and some State and local governments usually provides separate financing for major capital outlays. Capital outlays of these governments may be entirely excluded from the current budget or they may be amortized over a period of years by annual charges to the budget. In the United States Federal Budget, however, investment items are ordinarily treated in the same way as outlays for other purposes; both types are considered as expenditures in determining the budget surplus or deficit.

A capital budget would also call for annual allowances for depreciation and obsolescence on existing physical assets, allowances for anticipated losses on loan programs, recognition of assets received as gifts or donated to others, and cognizance of profit or loss on sales of assets at figures different from their book values. This analysis makes no such provision for depreciation or other changes in the value of assets. Hence, it does not indicate the extent to which annual new investment is offset by changes in the value of existing assets.

Recovery of certain types of expenditures.—Certain expenditures for assets are offset in whole or in part by receipts to the Treasury in the form of sales, specific charges, or recoveries. This is the case with respect to

many loans, investment in commodity inventories, construction of powerplants, and outlays for range and forest improvements on the public domain. Where such activities are accounted for on a revolving fund basis, receipts are credited directly against the expenditures, and the expenditure amounts in the budget and in special analysis D are net of receipts. In other cases, the receipts are counted as miscellaneous receipts to the Treasury rather than as offsets to expenditures.

Federal expenditures for most investment type programs are not generally expected to be recovered by specific revenues. Nonetheless, these and other developmental expenditures increase the wealth and income of the Nation, both directly and indirectly, thus expanding potential Federal revenues over a period of years.

SUMMARY

Expenditures for the acquisition of assets and for other developmental purposes are estimated to be \$30 billion in 1961, compared to \$29.3 billion in 1960. Current expenses for aids, services, and operations will total about \$49.6 billion, compared to \$49 billion for 1960.

TABLE 1.—Summary of investment, operating, and other budget expenditures

[In millions]

	1959 actual	1960 estimate	1961 estimate
Additions to Federal assets:			
Civil.....	\$7,494	\$3,814	\$4,668
Major national security.....	16,509	15,905	15,296
Expenditures for other developmental purposes:			
Civil.....	2,346	2,976	3,411
Major national security.....	5,692	6,565	6,615
Current expenses for aids and special services:			
Civil.....	14,338	14,032	13,701
Major national security.....	2,358	1,788	1,719
Other services and current operating expenses:			
Interest.....	7,671	9,385	9,585
Other civil.....	2,420	2,454	2,684
Major national security.....	21,868	21,392	21,937
Allowance for contingencies.....		75	200
Total.....	80,697	78,383	79,816
Civil.....	34,269	32,736	34,249
Major national security.....	46,427	45,650	45,567

ADDITIONS TO FEDERAL ASSETS

Expenditures representing direct investment by the Federal Government in loans and federally owned physical assets are expected to amount to \$20 billion in 1961, compared to \$19.7 billion in 1960. As in other recent years, the bulk of the total (77% in 1961) is for major national security programs, mostly for military equipment. Public works account for under half (\$2.1 billion) of estimated additions to civil assets in 1961; the remainder consists mostly of civil loans (\$1.5 billion) and additions to inventories of farm commodities (\$0.9 billion).

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

TABLE 2.—*Additions to Federal assets*
(In millions)

	1959 actual	1960 estimate	1961 estimate
Loans:			
Civil.....	\$5,037	\$648	\$1,451
Major national security.....	-25	-18	-16
Public works—sites and direct construction:			
Civil.....	1,506	1,875	2,131
Major national security.....	2,150	1,911	1,632
Major commodity inventories—net change:			
Civil.....	754	1,132	904
Major national security.....	253	192	110
Major equipment:			
Civil.....	61	89	93
Major national security.....	12,615	12,298	12,103
Other physical assets—acquisition and improvement:			
Civil.....	86	70	89
Major national security.....	1,516	1,522	1,467
Total additions to Federal assets.....	24,003	19,718	19,965

Loans.—Direct loans by Federal agencies consist primarily of loans to farmers and homeowners, to public and private agencies serving these two groups, and to foreign governments and private businesses. Although a few loan programs are on a nonrevolving basis, such as the Rural Electrification Administration and the Farmers Home Administration, most direct loan programs in the budget and in this special analysis are financed on a revolving fund basis so that net expenditures for loans as reported in this analysis reflect only a fraction of total direct Government lending activity. Although the 1961 budget proposes that some additional lending programs be placed on a revolving fund basis, the budget estimates for these programs are presented on the basis of existing law.

Net budget expenditures for loans in 1961 are estimated to be \$1.4 billion, compared to \$630 million in 1960. The largest single change by far reflects decreased loan repayments to the Commodity Credit Corporation. Loan repayments to this Corporation are expected to exceed disbursements by \$1 billion in 1960, but by only \$208 million in 1961. CCC loans are secured by agricultural commodities. Forfeitures of such collateral are regarded as loan repayments, but result in additions to CCC inventories shown elsewhere in this special analysis. Housing loans by the Veterans Administration are scheduled to decline sharply from net disbursements of \$253 million in 1960 to \$13 million in 1961, reflecting the end of the direct loan program on July 25, 1960. Other loans for housing programs, including mortgage purchases, will increase in 1961. Loans to foreign borrowers by the Export-Import Bank will increase by \$53 million and by the mutual security program by \$122 million in 1961. The Treasury, which paid \$1.4 billion in 1959 to increase the U.S. subscription to the International Monetary Fund, will pay \$80 million in 1960 for the first installment on the U.S. investment in the Inter-American Bank. These expenditures are nonrecurring.

Loans are classified in this special analysis as "additions to assets" because they are expected to result in receipts or recoveries to the Federal Government in future years. For the Nation as a whole, however, Government loan

activities may represent either current or future benefits depending on the character and purpose of the loan.

Public works—sites and direct construction.—Included in this category are Federal expenditures for sites, for Federal civil public works projects, and for military installations and other national security facilities, including those outside the continental United States. Estimated expenditures in 1961 for direct Federal public works are \$3.8 billion, about the same as in 1960. Civil public works expenditures will be about \$2.1 billion, which is \$257 million higher than in 1960, reflecting mainly increases for water resources projects, civilian space research facilities, Federal aviation facilities, and construction of office buildings for several executive agencies and the House of Representatives. Expenditures for water resources and related projects in 1961 will amount to approximately \$1.2 billion. Total outlays will be mostly for work already underway; starts on proposed new projects will entail estimated expenditures of \$258 million in 1961.

Major national security construction, which accounts for 43% of 1961 Federal public works, will decrease by \$279 million. Payments for airfield construction will decline by more than enough to offset increases for atomic energy construction, underground missile bases, and other military construction.

Major commodity inventories.—Net expenditures for major purchases of commodities held for resale or in stockpiles are expected to be \$1 billion in 1961, about \$310 million less than in 1960. Net additions to the inventory of farm commodities held by the Commodity Credit Corporation under its farm price-support program are estimated to amount to \$895 million, compared to \$1.1 billion in 1960. Expenditures for the stockpiling of strategic and critical materials (other than fissionable) and for purchases of defense materials are expected to decline from \$192 million in 1960 to \$110 million in 1961.

Major equipment.—Expenditures for major equipment are estimated at over \$12 billion in both 1960 and 1961. These expenditures are almost entirely for aircraft, missiles, ships, and other major national security equipment. Although expenditures for aircraft procurement will decline from the 1960 level, expenditures for tanks, vehicles, guns, and electronics devices will increase. Shipbuilding and missile procurement will call for about the same amount of expenditures as in 1960. While military missiles have many of the characteristics of expendable supplies such as ammunition, their acquisition cost is included in this analysis under "additions to assets" because they are in many cases replacing aircraft or other durable assets.

Expenditures for civilian space research equipment will increase by \$10 million in 1961. Purchases of office equipment, furniture, fixtures, automobiles, and similar items are not included in this category, but are treated as current operating expenses.

Other physical assets—acquisition and improvement.—Expenditures for other physical assets are estimated to be \$1.6 billion in 1961, about the same as in 1960. Of this amount, the major national security portion, which provides for the procurement of uranium concentrates and production of special nuclear materials and weapons by the Atomic Energy Commission, will decline. Civil expenditures in this category, which include reforestation and range improvements on Federal lands and real property acquired as collateral on defaulted loans, will increase.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES

This category includes Federal expenditures which add to the productivity of the economy over a period of years but which do not directly augment Federal physical and financial assets. Disbursements which appear to yield the bulk of their benefits in the current year are excluded, even though they may also contribute to the longer run economic development of the Nation.

TABLE 3.—Expenditures for other developmental purposes
(In millions)

	1959 actual	1960 estimate	1961 estimate
State and local physical assets.....	\$291	\$340	\$331
Private physical assets.....	643	825	914
Education, training, and health:			
Civil.....	690	826	830
Major national security.....	11	13	14
Research and development:			
Civil.....	672	931	1,276
Major national security.....	5,681	6,552	6,601
Engineering and natural resource surveys..	50	54	60
Total expenditures for other developmental purposes.....	8,039	9,540	10,025

State and local physical assets.—In 1961 the Federal Government will spend an estimated \$331 million for additions to physical assets of State and local governments, primarily through grants-in-aid for the construction of schools in federally affected areas, hospitals, airports, waste-treatment works, watershed protection projects, and other facilities. This amount excludes grants of \$2.7 billion in 1961 for the Federal-aid highway system, which are to be made from the separately financed Highway trust fund rather than from the budget.

Private physical assets.—Federal expenditures which directly augment privately owned physical assets consist predominantly of (1) payments and technical assistance for conservation and improvement of private farms, including cost sharing payments under the conservation reserve program and the agricultural conservation program; (2) grants to States for the building of private hospitals and other health facilities; and (3) construction subsidies for merchant ships. Total outlays in this category are estimated at \$914 million in 1961, compared to \$825 million in 1960.

Education, training, and health.—In 1961 an estimated \$844 million of budget expenditures will be devoted to education, training, and health. Most of these programs are conducted through grants to State and local governments. These include school operating aid to local school districts affected by the presence of Federal Government installations, grants under the National Defense Education Act of 1958, and grants to States for public health, vocational education, maternal and child welfare, and agricultural extension work. A number of programs classified elsewhere in this special analysis also have developmental aspects which are, however, secondary to their principal purposes. Examples are the veterans educational activities, the operating expenses of hospital services and medical care programs, and the training of military and civilian personnel in Government service.

Research and development.—The Federal Government also contributes to technological progress through the conduct of varied programs of research and development. Expenditures for these programs are estimated at \$7.9 billion in 1961, \$394 million more than in 1960, not including

expenditures for research and development equipment and facilities shown elsewhere in this special analysis. Most of the 1961 total will be devoted to the research and development activities of the Department of Defense and the Atomic Energy Commission, where the emphasis will be on missiles, nuclear propulsion systems, and civilian electric power reactors. The support of nonmilitary space projects carried on by the National Aeronautics and Space Administration will require estimated expenditures of \$503 million in 1961, nearly double the 1960 amount. Other research and development programs include—but are not limited to—health research, research in new uses of farm products, basic research in agriculture and science, and research on production and utilization of mineral products.

Engineering and natural resource surveys.—An estimated \$60 million of expenditures in 1961 will be devoted to investigations and surveys for public works programs, topographic mapping, geologic and mineral resource surveys, land classification, forest investigations, and other basic surveys. The largest programs of these types are administered by the Geological Survey, the Bureau of Reclamation, the Coast and Geodetic Survey, and the Corps of Engineers.

CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES

Included in this category are expenditures which provide aids or special services to specific economic groups primarily in the current year, including administrative and other operating expenses attributable to the investment-type programs discussed previously and the costs of maintaining the related physical assets. Benefits accruing to various groups through tax provisions or other Government aids which do not call for expenditures are not included in this analysis.

Significant amounts of expenditures from certain of the trust funds might also be considered as yielding current aid to specific economic groups. For example, trust fund payments in 1961 are expected to include \$11.1 billion in old-age and survivors insurance benefits, \$576 million in disability insurance benefits, \$970 million in railroad retirement benefits, and \$1.8 billion in withdrawals by States to pay unemployment benefits. (See part III, especially pages 842–844, for a more complete treatment of trust fund transactions.) However, these amounts are excluded from special analysis D, which is confined to an analysis of budget expenditures. Budget expenditures for aids and special services are estimated at \$15.4 billion in 1961, compared to \$15.8 billion in 1960.

TABLE 4.—Current expenses for aids and special services
(In millions)

	1959 actual	1960 estimate	1961 estimate
Agriculture.....	\$3,484	\$3,568	\$3,433
Business:			
Civil.....	1,451	1,343	865
Major national security.....	42	9	—1
Labor.....	761	327	337
Homeowners and tenants.....	—4	64	40
Veterans.....	4,972	4,947	5,247
International:			
Civil.....	1,437	1,380	1,400
Major national security.....	2,316	1,779	1,720
Other aids and special services.....	2,237	2,403	2,379
Total current expenses for aids and special services.....	16,697	15,820	15,420

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Agriculture.—Budget expenditures for current aids and services to farmers are estimated at \$3.4 billion in 1961, compared to \$3.6 billion in 1960. These expenditures consist chiefly of costs and losses stemming from the price support program and the sale of surplus commodities for foreign currencies.

Farmers also derive particular benefits from major expenditures classified elsewhere in this analysis, such as expenditures for loans, conservation payments, water development projects, the school lunch program, and various international and other programs not designed primarily for the support of agriculture.

Business.—Expenditures primarily benefiting private business are estimated at \$864 million in 1961 and \$1.4 billion in 1960. The decrease reflects mainly the proposed increase in postal rates designed to eliminate the postal service deficit now covered by budgetary expenditures. The major expenditures in this category are for aids to air and sea navigation and for maritime operating subsidies.

Labor.—The largest current Federal expenditure benefiting labor in 1961 is for the Federal-State program of unemployment insurance and public employment offices. The Federal Government, through the Department of Labor, makes grants to the States to cover the full cost of administering these services; in 1961 these grants are estimated at \$303 million, which is 90% of the total estimated expenditures of \$337 million benefiting labor. Other expenses for aids and special services to labor include the mine safety work of the Bureau of Mines and certain administrative expenses of the Department of Labor.

Homeowners and tenants.—Loans and mortgage purchases for the benefit of homeowners and tenants are classified in this analysis as additions to Federal assets; expenditures classified as yielding current benefits to these groups consist chiefly of (1) annual contributions to local authorities for low-rent public housing projects; (2) grants for the capital losses of slum clearance and urban renewal projects; and (3) administrative expenses for all housing programs. Receipts from the insurance of mortgages and saving and loan share accounts and the earnings from holdings of mortgages and other housing loans offset most current expenditures for housing in both 1960 and 1961.

Veterans.—Expenditures for current aids and services to veterans are estimated at \$5.2 billion in 1961, an increase of \$300 million over 1960; practically all the increase results from higher pension payments. Compensation and pension benefits combined account for more than 70% of estimated total expenditures in this category in 1961. Compensation payments made for disabilities or deaths resulting from service will be at about the same level in 1961 as in 1960; expenditures for non-service-connected pensions will increase by \$438 million.

Other aids to veterans include hospital and medical care for veterans of all wars and readjustment benefits, which in 1961 will be mainly for those who served in the Korean conflict. The readjustment benefits include education and training for veterans who enroll in schools and colleges, vocational training on the job or farm, and veterans loan-guarantee programs.

International.—Almost all the estimated expenditures in this category in 1961 will be for grants under the mutual

security program. Expenditures of \$1.7 billion are estimated in 1961 for the military assistance portion of the program, under which military equipment and training is furnished to friendly nations. Expenditures of \$1.3 billion are expected in 1961 for the economic portion of the program, under which friendly nations are helped to develop their economies so as to maintain political and economic stability and meet the economic burdens imposed by the maintenance of adequate defense forces. The amounts in the present category are in addition to loans to foreign countries, which were included above as additions to Federal assets.

Other aids and special services.—Many other Federal programs involve budget expenditures for current aids and special services for more than one of the above groups or for other groups. The bulk of these expenditures consists of grants to help provide public assistance to the needy, including the aged, the blind, the permanently and totally disabled, and dependent children. Other major programs include grants to States to help finance low-priced school lunches, hospital operation and medical care by the Public Health Service, and various aids to Indians. Expenditures in this category are expected to amount to \$2.4 billion in 1961, about the same as in 1960.

OTHER SERVICES AND CURRENT OPERATING EXPENSES

Expenses for operation and maintenance of military facilities and for pay and subsistence of military personnel comprise about 65% of the total spending estimated for this category in 1961. By far the largest component of civil expenditures is interest, which accounts for about 30% of the total.

TABLE 5.—Other services and current operating expenses

[In millions]			
	1959 actual	1960 estimate	1961 estimate
Repair, maintenance, and operation of physical assets:			
Civil.....	\$308	\$324	\$336
Major national security.....	10,249	9,614	9,983
Regulation and control.....	571	588	622
Operation and administration of other civil activities.....	1,541	1,542	1,726
Other major national security operation and administration.....	11,619	11,778	11,954
Interest.....	7,671	9,385	9,585
Total other services and current operating expenses.....	31,959	33,230	34,206

Repair, maintenance, and operation of physical assets.—Expenditures to repair, maintain, and operate physical assets are predominantly for the national military establishment and for general purpose public buildings. Also included in this category are expenses for operating and maintaining atomic energy facilities, flood control reservoirs, irrigation works, power facilities, public lands, and national forests. Total outlays for these purposes are estimated at \$9.9 billion in 1960 and \$10.3 billion in 1961. Where special groups are the main beneficiaries, such as veterans in the case of veterans hospitals, repair

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

and maintenance outlays are not included in the present category but as "aids and special services" discussed above.

Regulation and control.—Most of the major departments and agencies and many smaller agencies have regulatory or law-enforcement responsibilities. These include the law-enforcement activities of the Department of Justice, the Treasury Department, and the judiciary, as well as the operations of the independent regulatory agencies. Expenditures for regulation and control are estimated to total \$622 million in 1961, compared to \$588 million in 1960.

Operation and administration of other civil activities.—All other governmentwide or multipurpose expenditures for civil programs are estimated to total \$1.5 billion in 1960 and \$1.7 billion in 1961. These cover expenditures for the legislative branch; the conduct of foreign affairs; tax collection, public debt management, and other financing activities; central procurement and recordkeeping; accident and unemployment compensation payments for Federal employees; and various other direct Federal programs not elsewhere classified. Federal Government con-

tributions as employer to the Civil service retirement and disability fund, formerly included in this category, are now allocated along with other employee compensation costs among the various disbursing agencies and programs. Such payments total an estimated \$0.8 billion in 1961.

Other major national security operation and administration.—These expenditures are estimated to increase from \$11.8 billion in 1960 to \$12 billion in 1961. They represent mainly pay and subsistence for military personnel together with smaller but substantial expenditures for civilian reserve components, industrial mobilization, and various departmentwide activities of the Department of Defense.

Interest.—Interest expenditures consist almost entirely of interest payments on the public debt. A minor proportion is for interest on refunds of receipts and on certain uninvested funds deposited with the Treasury. Because of the higher interest rates on new securities issued to refund maturing obligations, expenditures for interest are expected to rise from \$9.4 billion in 1960 to \$9.6 billion in 1961.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation

[In millions]

	1959 actual	1960 estimate	1961 estimate		1959 actual	1960 estimate	1961 estimate
ADDITIONS TO FEDERAL ASSETS				ADDITIONS TO FEDERAL ASSETS—Continued			
Loans:				Public works—sites and direct construction—Continued			
Civil:				Civil—Continued			
To domestic private borrowers:				Other than research and development facilities:			
Small Business Administration.....	\$104	\$94	\$105	Legislative branch.....	\$13	\$29	\$54
Veterans Administration:				Central Intelligence Agency.....	6	16	19
Housing loans.....	129	253	13	Federal Aviation Agency.....	97	138	160
Other.....	90	100	102	Saint Lawrence Seaway Development Corpora-			
Housing and Home Finance Agency:				tion.....	14	7	3
Federal National Mortgage Association.....	858	136	83	Smithsonian Institution.....	3	7	19
College housing loans.....	72	73	60	Tennessee Valley Authority.....	104	135	179
Federal Housing Administration.....	20	24	18	Veterans Administration: Hospitals.....	45	58	60
Other.....	-21	-166	-3	General Services Administration: Public build-			
Department of Agriculture:				ings.....	89	148	171
Commodity Credit Corporation: Price support				Department of Agriculture:			
and grain storage loans.....	1,082	-1,005	-208	Commodity Credit Corporation: Grain storage			
Farmers Home Administration.....	275	247	215	facilities.....	1	30	30
Rural Electrification Administration.....	305	325	345	Forest roads and protective facilities.....	44	44	44
Department of Health, Education, and Welfare:				Other.....	1	1	1
Defense educational activities.....	31	38	51	Department of Commerce.....	4	10	6
Treasury Department.....	-10	-7	-7	Department of Defense—Civil:			
Other agencies.....	-7	9	2	Rivers and harbors and flood control, Depart-			
Total to domestic private borrowers, civil.....	2,928	121	776	ment of the Army.....	620	694	742
To State and local governments:				The Panama Canal.....	13	19	27
For public works:				Other.....	2	2	1
Housing and Home Finance Agency:				Department of Health, Education, and Welfare:			
College housing loans.....	108	110	89	Assistance for school construction.....	10	10	10
Public facility loans.....	21	25	24	Indian health facilities.....	4	12	6
Other.....	1	13	9	Other.....	2	4	6
Department of the Interior.....	8	13	20	Department of the Interior:			
District of Columbia.....	3	7	13	Bureau of Reclamation.....	197	181	233
Other agencies.....	2	2	9	National Park Service.....	53	51	51
For other than public works:				Bureau of Indian Affairs.....	30	33	31
Housing and Home Finance Agency.....	2	56	19	Power transmission agencies.....	19	24	22
Other agencies.....	(1)	1	4	Other.....	19	19	16
Total to State and local governments, civil.....	144	227	187	Post Office Department.....	31	72	80
To foreign borrowers:				Department of State:			
Funds appropriated to the President: Mutual				State Department building.....	22	17	3
security—economic.....	127	225	347	Other.....	13	6	13
Export-Import Bank of Washington.....	467	31	84	Treasury Department.....	-3	16	12
Treasury Department:				Other agencies.....	6	10	18
International Monetary Fund.....	1,375			Total other than research and development			
Inter-American Development Bank.....		80		facilities.....	1,459	1,793	2,017
Total to foreign borrowers, civil.....	1,969	337	431	Total public works, civil.....	1,506	1,875	2,131
To quasi-public institutions and trust funds.....	46	-37	57				
Total loans, civil.....	5,087	648	1,451	Major national security:			
Major national security:				Research and development facilities:			
To domestic private borrowers: Funds appropriated				Atomic Energy Commission.....	135	169	173
to the President: Expansion of defense production.....	-21	-14	-11	Department of Defense—Military: Military con-			
To foreign borrowers.....	-4	-4	-4	struction.....	88	111	111
Total loans, major national security.....	-25	-18	-16	Total research and development facilities.....	223	280	284
Total loans.....	5,062	630	1,435				
Public works—sites and direct construction:				Other than research and development facilities:			
Civil:				Atomic Energy Commission.....	72	80	105
Research and development facilities:				Department of Defense—Military: Military con-			
National Aeronautics and Space Administration.....	25	45	75	struction (excluding infrastructure).....	1,853	1,551	1,243
Department of Agriculture.....	7	12	8	Other agencies.....	1	(1)	(1)
Other agencies.....	14	25	31	Total other than research and development			
Total research and development facilities.....	46	82	114	facilities.....	1,926	1,631	1,348
				Total public works, major national security.....	2,150	1,911	1,632
				Total public works—sites and direct construc-			
				tion.....	3,655	3,786	3,762

1 Less than one-half million dollars.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1959 actual	1960 estimate	1961 estimate		1959 actual	1960 estimate	1961 estimate
ADDITIONS TO FEDERAL ASSETS—Continued				ADDITIONS TO FEDERAL ASSETS—Continued			
Major commodity inventories:				Other physical assets—acquisition and improvement—Continued			
Civil:				Major national security:			
Executive Office of the President: Office of Civil and Defense Mobilization.....	\$10	\$13	\$9	Atomic Energy Commission.....	\$1,500	\$1,490	\$1,425
Department of Agriculture: Commodity Credit Corporation: Agricultural commodities.....	740	1,120	895	Department of Defense—Military: Working capital (revolving) funds.....	16	32	42
Other agencies.....	4	—2	—				
Total major commodity inventories, civil.....	754	1,132	904	Total other physical assets, major national security.....	1,516	1,522	1,467
Major national security:				Total other physical assets—acquisition and improvement.....	1,602	1,591	1,557
Funds appropriated to the President: Expansion of defense production.....	221	178	106	Total additions to Federal assets.....	24,003	19,718	19,965
General Services Administration: Stockpiling of strategic and critical materials.....	32	14	4				
Total major commodity inventories, major national security.....	253	192	110	EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES			
Total major commodity inventories.....	1,007	1,324	1,014	State and local physical assets:			
Major equipment:				Grants-in-aid:			
Civil:				For public works, research and development facilities: Department of Health, Education, and Welfare.....			
Research and development facilities:					8	11	13
National Aeronautics and Space Administration.....	6	12	22	For public works, other than research and development facilities:			
Other agencies.....	3	5	6	Federal Aviation Agency.....			
Total research and development facilities.....	9	17	23		57	72	81
Other than research and development facilities:				Department of Agriculture: Flood prevention and watershed protection.....			
Department of Commerce:					23	32	36
Merchant ships.....	22	27	26	Department of Commerce: Forest and public lands highways ¹			
Other.....	5	4	6		25	35	—
Federal Aviation Agency.....	10	7	11	Department of Health, Education, and Welfare:			
Treasury Department: Coast Guard.....	6	25	15	School construction in federally affected areas.....			
Other agencies.....	9	9	7		66	62	61
Total other than research and development facilities.....	52	72	65	Hospital construction.....			
Total major equipment, civil.....	61	89	93		61	64	72
Major national security:				Waste treatment works construction.....			
Research and development facilities: Atomic Energy Commission.....	42	48	45		36	45	45
Other than research and development facilities:				Other.....			
Funds appropriated to the President.....	(¹)	—1	(¹)		(¹)	—	—
Atomic Energy Commission.....	31	33	35	Other agencies.....			
Department of Defense—Military.....	12,542	12,218	12,024		6	7	6
Total other than research and development facilities, major national security.....	12,573	12,250	12,058	Total other than research and development facilities.....	274	317	301
Total major equipment, major national security.....	12,615	12,298	12,103	Total for public works.....	282	328	313
Total major equipment.....	12,676	12,387	12,196	For other than public works other than research and development facilities:			
Other physical assets—acquisition and improvement:				Office of Civil and Defense Mobilization.....			
Civil:					8	12	16
Veterans Administration:				Other.....			
Readjustment benefits.....	32	4	12		(¹)	(¹)	1
Other.....	(¹)	(¹)	(¹)	Total for other than public works.....	9	12	17
Housing and Home Finance Agency.....	10	16	22	Total State and local physical assets, grants-in-aid ²	291	340	331
Department of the Interior:				Private physical assets, civil:			
Bureau of Land Management.....	20	20	20	Direct Federal programs:			
Other.....	12	14	17	Research and development facilities:			
Other agencies.....	12	16	18	Department of Health, Education, and Welfare.....			
Total other physical assets, civil.....	86	70	89		15	15	16
				National Science Foundation.....			
					5	7	16
				Total research and development facilities.....	20	21	32
				Other than research and development facilities:			
				Department of Agriculture:			
				Agricultural conservation assistance.....			
					239	243	245
				Soil Conservation Service.....			
					95	90	94
				Commodity Stabilization Service: Conservation reserve.....			
					171	335	394
				Commodity Credit Corporation: Loans to Secretary of Agriculture for agricultural conservation purposes.....			
					7	1	—12

¹ Less than one-half million dollars.² Expenditures for these programs are included in Highway trust fund expenditures in 1961.³ Excludes highway construction grants of \$2,584 million in 1959, \$2,993 million in 1960, and \$2,698 million in 1961 made from the Highway trust fund.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1959 actual	1960 estimate	1961 estimate		1959 actual	1960 estimate	1961 estimate
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued				EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued			
Private physical assets, civil—Continued				Research and development—Continued			
Direct Federal programs—Continued				Civil—Continued			
Other than research and development facilities—Continued				Direct Federal programs—Continued			
Department of Commerce: Merchant ships.....	\$28	\$50	\$68	Department of the Interior:			
Other agencies.....	6	4	4	Bureau of Mines.....	\$23	\$23	\$23
Total other than research and development facilities.....	546	723	793	Geological Survey.....	41	40	40
Total direct Federal programs.....	566	745	825	Fish and Wildlife Service.....	11	11	11
Grants-in-aid: Other than research and development facilities:				Other.....	2	2	3
Department of Health, Education, and Welfare:				Post Office Department.....	6	8	12
Private hospital construction.....	74	79	88	Other agencies.....	20	23	28
Other agencies.....	3	1	1	Total direct Federal programs.....	630	883	1,234
Total grants-in-aid.....	77	80	89	Grants-in-aid:			
Total private physical assets, civil.....	643	825	914	Department of Agriculture:			
Education, training, and health:				Agricultural Research Service.....	31	31	32
Civil:				Other.....	1	1	1
Direct Federal programs:				Other agencies.....	10	11	9
National Science Foundation.....	51	54	59	Total grants-in-aid.....	42	43	42
Department of Health, Education, and Welfare:				Total research and development, civil.....	672	931	1,276
Public Health Service.....	132	182	175	Major national security:			
Office of Education.....	17	34	48	Atomic Energy Commission.....	700	790	836
Other.....	13	15	17	Department of Defense—Military:			
Department of the Interior: Bureau of Indian Affairs.....	44	44	46	Military personnel: Research and development.....	224	227	233
Other agencies.....	19	20	20	Procurement: Test and evaluation support.....	1,867	1,824	1,580
Total direct Federal programs.....	276	349	365	Research, development, test, and evaluation.....	2,859	3,680	3,917
Grants-in-aid:				Mutual security—Military, research.....	31	30	35
Department of Agriculture: Cooperative extension work.....	61	62	65	Total research and development, major national security.....	5,681	6,552	6,601
Department of Health, Education, and Welfare:				Total research and development.....	6,354	7,483	7,877
School operation in federally affected areas.....	132	151	126	Engineering and natural resource surveys:			
Defense educational activities.....	44	73	83	Direct Federal programs:			
Vocational and other education and training.....	95	103	103	Department of Commerce: Coast and Geodetic Survey.....	12	13	17
Health and child care.....	77	81	81	Department of the Interior.....	17	16	17
Other agencies.....	5	7	6	Other agencies.....	19	22	21
Total grants-in-aid.....	414	477	464	Total direct Federal programs.....	48	51	55
Total education, training, and health, civil.....	690	826	830	Grants-in-aid.....	2	2	5
Major national security: Atomic Energy Commission.....	11	13	14	Total engineering and natural resource surveys.....	50	54	60
Total education, training, and health.....	701	839	844	Total expenditures for other developmental purposes.....	8,039	9,540	10,025
Research and development:				CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Civil:				Agriculture:			
Direct Federal programs:				Direct Federal programs:			
Federal Aviation Agency.....	21	37	52	Department of Agriculture:			
National Aeronautics and Space Administration.....	115	268	503	Commodity Credit Corporation:			
National Science Foundation.....	47	58	79	Sales for foreign currency.....	1,022	1,055	1,172
Veterans Administration.....	16	18	16	Price support, supply, and related programs.....	872	1,589	1,487
Department of Agriculture:				Transfer to supplemental stockpile.....	315	237	127
Agricultural Research Service.....	62	64	75	National Wool Act.....	20	94	70
Forest Service.....	11	11	12	Soil bank programs.....	68	35	—
Other.....	10	10	10	International Wheat Agreement.....	48	49	68
Department of Commerce:				Other.....	33	6	—2
National Bureau of Standards.....	10	14	17	Commodity Stabilization Service:			
Other.....	10	12	14	Acreage reserve.....	609	—	—
Department of Health, Education, and Welfare:				Sugar Act.....	67	74	78
Public Health Service.....	216	279	314	Other.....	—3	3	—
Other.....	9	10	25				

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1959 actual	1960 estimate	1961 estimate		1959 actual	1960 estimate	1961 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued				CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Agriculture—Continued				Homeowners and tenants:			
Direct Federal programs—Continued				Direct Federal programs:			
Department of Agriculture—Continued				Federal Home Loan Bank Board.....			
Agricultural Research Service.....				Housing and Home Finance Agency:			
Agricultural Marketing Service.....				Federal National Mortgage Association.....			
Farmers Home Administration.....				Federal Housing Administration.....			
Federal Crop Insurance Corporation.....				Other.....			
Foreign Agricultural Service.....				Other agencies.....			
Rural Electrification Administration.....				Total direct Federal programs.....			
Other.....				Grants-in-aid: Housing and Home Finance Agency:			
Other agencies.....				Public housing.....			
Total direct Federal programs.....				Urban renewal fund.....			
Grants-in-aid: Department of Agriculture:				Other.....			
Removal of surplus agricultural commodities.....				Total grants-in-aid.....			
Commodity Credit Corporation.....				Total homeowners and tenants.....			
Forest Service.....				Veterans:			
Total grants-in-aid.....				Direct Federal programs:			
Total agriculture.....				Veterans Administration:			
Business:				Readjustment benefits.....			
Civil:				Compensation and pensions.....			
Direct Federal programs:				Hospital and medical care.....			
Civil Aeronautics Board: Payments to air carriers.....				Insurance.....			
Federal Aviation Agency.....				Other.....			
Small Business Administration.....				Department of Labor:			
Department of Commerce:				Unemployment compensation for veterans.....			
Maritime activities: Ship operating subsidies				Other.....			
and administration.....				Other agencies.....			
Patent Office.....				Total direct Federal programs.....			
Other.....				Grants-in-aid: Veterans Administration.....			
Department of Defense—Civil:				Total veterans.....			
Rivers and harbors and flood control, Depart-				International:			
ment of the Army: Maintenance and opera-				Civil:			
tion.....				Funds appropriated to the President:			
Panama Canal Company.....				Mutual security—economic.....			
Other.....				Other.....			
Post Office Department.....				Export-Import Bank of Washington.....			
Treasury Department: Coast Guard: Navigation				Department of Agriculture: Commodity Credit			
aids.....				Corporation: Emergency famine relief to friendly			
Other agencies.....				peoples.....			
Total civil, direct Federal programs.....				Department of Commerce: Inter-American High-			
Grants-in-aid: Department of Commerce.....				way.....			
Total civil.....				Other agencies.....			
Major national security: Funds appropriated to the				Total international, civil.....			
President: Expansion of defense production: Ad-				Major national security: Department of Defense—			
ministrative expenses and losses on transactions.....				Military:			
Total business.....				Military assistance.....			
Labor:				Military construction (infrastructure).....			
Direct Federal programs:				Total international, major national security.....			
Department of Labor:				Total international.....			
Temporary unemployment compensation.....				Other aids and special services:			
Other.....				Direct Federal programs:			
Other agencies.....				Department of Health, Education, and Welfare:			
Total direct Federal programs.....				Public Health Service.....			
Grants-in-aid: Department of Labor: Administration				Other.....			
of unemployment compensation and employment				Department of the Interior: Bureau of Indian			
service.....				Affairs.....			
Total labor.....				Department of Commerce: Bureau of the Census.....			

1 Less than one-half million dollars.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1959 actual	1960 estimate	1961 estimate		1959 actual	1960 estimate	1961 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued				OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Other aids and special services—Continued				Regulation and control—Continued			
Direct Federal programs—Continued				Department of Health, Education, and Welfare:			
Department of Labor: Bureau of Labor Statistics.....	\$7	\$9	\$10	Food and Drug Administration.....	\$10	\$13	\$15
Other agencies.....	7	8	8	Other.....	(1)	(1)	(1)
Total direct Federal programs.....	122	189	138	Department of Justice:			
Grants-in-aid:				Federal Bureau of Investigation.....			
Department of Agriculture: School lunch program.....	142	152	149	Legal activities and general administration.....	111	114	118
Department of Health, Education, and Welfare:				Immigration and Naturalization Service.....	45	44	47
Public assistance.....	1,966	2,053	2,083	Other.....	55	55	58
Other.....	1	2	1	Federal prisons.....	35	39	40
Other agencies.....	5	8	8	Other.....	(1)	(1)	(1)
Total grants-in-aid.....	2,114	2,214	2,240	Department of Labor: Wage and Hour Division and Solicitor.....			
Total other aids and special services.....	2,237	2,403	2,379	Treasury Department:	10	13	15
Total current expenses for aids and special services.....	16,697	15,820	15,420	Bureau of Customs.....	54	54	55
OTHER SERVICES AND CURRENT OPERATING EXPENSES				Coast Guard.....	20	20	22
Repair, maintenance, and operation of physical assets (excluding special services):				Other.....	10	9	9
Civil:				Other agencies.....	41	41	43
Tennessee Valley Authority.....	—109	—114	—119	Total regulation and control.....	571	588	622
General Services Administration.....	152	166	178	Operation and administration of other civil activities:			
Department of Agriculture: Forest Service.....	89	99	92	International activities:			
Department of Defense—Civil: Rivers and harbors and flood control, Department of the Army.....	58	54	54	Funds appropriated to the President.....	8	7	8
Department of the Interior:				United States Information Agency.....	103	103	111
Bureau of Reclamation.....	35	34	37	Department of State:			
National Park Service.....	28	29	29	Salaries and expenses, Foreign affairs administration.....	115	118	124
Fish and Wildlife Service.....	10	11	12	International organizations and conferences.....	51	59	54
Power marketing agencies.....	14	16	18	Educational exchange.....	22	24	36
Other.....	2	1	1	Payment to the Philippine Government.....	24		49
Other agencies.....	29	27	33	Other.....	6	2	3
Total repair, maintenance, and operation, civil.....	308	324	336	Total international activities.....	329	313	385
Major national security:				Federal financial activities:			
Atomic Energy Commission.....	50	53	56	General Accounting Office.....	40	40	41
Department of Defense—Military:				Renegotiation Board and Tax Court of the United States.....	5	4	4
Operation and maintenance.....	10,384	10,137	10,321	Treasury Department:			
Working capital (revolving) funds.....	—185	—576	—394	Internal Revenue Service.....	367	361	390
Total repair, maintenance, and operation, major national security.....	10,249	9,614	9,983	Bureau of Accounts.....	24	26	27
Total repair, maintenance, and operation of physical assets.....	10,556	9,938	10,318	Bureau of the Public Debt.....	49	47	47
Regulation and control:				Office of the Treasurer.....	18	17	17
The Judiciary.....	47	49	52	Other.....	9	10	8
Federal Aviation Agency.....	18	22	25	Total Federal financial activities.....	511	506	535
Federal Communications Commission.....	10	10	11	Other direct Federal programs:			
Interstate Commerce Commission.....	19	20	21	Legislative branch.....	94	92	96
National Labor Relations Board.....	13	15	17	Executive Office of the President:			
Department of Agriculture:				Office of Civil and Defense Mobilization.....	22	27	34
Commodity Stabilization Service: Acreage allotments and marketing quotas.....	41	41	40	Other.....	10	10	10
Agricultural Research Service.....	28	27	31	Civil Service Commission.....	20	19	20
Other.....	4	3	3	Selective Service System.....	30	28	32
				General Services Administration.....	44	57	61
				Department of Commerce:			
				Weather Bureau.....	40	43	47
				Other.....	1	4	1
				Department of Defense—Civil:			
				Canal Zone Government.....	18	18	19
				Rivers and harbors and flood control, Department of the Army.....	12	12	12
				Other.....	(1)	1	1
				Department of the Interior.....	15	12	13

1 Less than one-half million dollars.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions]

	1959 actual	1960 estimate	1961 estimate		1959 actual	1960 estimate	1961 estimate
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued				OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Operation and administration of other civil activities—Continued				Operation and administration of other civil activities—Continued			
Other direct Federal programs—Continued				Shared revenue and grants-in-aid—Continued			
Treasury Department: Claims, judgments, and relief acts.....	\$25	\$8	\$5	Other agencies.....	\$7	\$8	\$8
Other agencies.....	6	7	6	Total shared revenue and grants-in-aid.....	143	170	179
Total other direct Federal programs.....	337	337	357	Total operation and administration of other civil activities.....	1,541	1,542	1,726
Retirement, unemployment, and accident compensation for Federal employees:				Other major national security operation and administration:			
Civil Service Commission.....	2	2	51	General Services Administration: Strategic and critical materials.....	41	46	41
Department of Labor:				Department of Defense—Military: Military personnel (excluding research and development).....	11,578	11,732	11,913
Employees' compensation claims and expenses.....	69	61	65	Total other major national security operation and administration.....	11,619	11,778	11,954
Unemployment compensation for Federal employees.....	110	112	112	Interest:			
Other.....	7	7	7	On the public debt.....	7,593	9,300	9,500
Treasury Department: Coast Guard retired pay and Secret Service annuities.....	28	30	30	Other interest:			
Other agencies.....	4	4	4	On refunds.....	69	75	75
Total retirement, unemployment, and accident compensation for Federal employees.....	220	217	270	On uninvested funds.....	9	9	10
Shared revenue and grants-in-aid:				Total other interest.....	79	85	85
Funds appropriated to the President: Grants to Alaska.....		10	6	Total interest.....	7,671	9,385	9,585
Department of Agriculture: Forest Service.....	23	30	35	Total other services and current operating expenses.....	31,959	33,230	34,206
Department of the Interior:				ALLOWANCE FOR CONTINGENCIES		75	200
Bureau of Land Management.....	45	52	56	Grand total	80,697	78,383	79,816
Fish and Wildlife Service.....	13	13	13				
Other.....	9	11	9				
Treasury Department: Internal revenue collections for Puerto Rico.....	21	20	20				
District of Columbia: Federal payment.....	25	25	32				

SPECIAL ANALYSIS E

FOREIGN CURRENCY AVAILABILITIES AND USES

Many agencies of the Government are engaged in activities throughout the world which may be financed with foreign currencies. From some governmental activities, particularly the sale on concessional terms of surplus agricultural commodities, foreign currencies accrue to the Government without purchase with dollars. In many instances these currencies are restricted in their use by the terms of international agreements. This analysis presents in summary form data on foreign currency availabilities and uses, with special emphasis on those under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), the largest source of currencies with the most complex provisions for their use.

Need for foreign currencies.—The U.S. Government carries on extensive activities abroad, involving almost every country in the world. In the normal course of these worldwide operations, it has need for and it acquires large amounts of currencies of many countries. Some of these currencies are acquired through Government agencies' activities; others must be purchased.

Recent estimates indicate that Government agencies will require about \$2.3 billion of foreign currencies in 1961 to perform their regular operations abroad, as indicated in table 1. The approximate supply of currencies available in the Treasury for sale to agencies in 1961 to meet these regular needs is estimated to approximate \$474 million. However, only about \$130 million of this amount can be used to meet 1961 needs because the availability of currencies of individual countries does not match the needs for the currencies of those countries. This leaves a total of over \$2.1 billion of foreign currencies which will need to be purchased commercially by our disbursing officers.

In 66 of the 83 countries listed in table 1 the approximate supply of currencies available in 1961 is less than our anticipated needs for regular operations, with the result that the United States will have to purchase the currencies of these 66 countries. With respect to total value, over four-fifths of the U.S. agency requirements are concentrated in five countries in which the United States receives foreign currencies in much smaller amounts; namely, Germany, Canada, Japan, France, and the United Kingdom. The preponderance of currencies available to the Treasury for sale to agencies for regular operations is in countries such as India, Israel, Pakistan, Poland, Spain, and Yugoslavia, where our needs are much less.

TABLE 1.—Requirements and availability of foreign currencies for the payment of U.S. obligations

[In millions of dollar equivalents]

Country	Estimated requirements, 1961	Approximate supply, 1961 ¹	Residual amounts available for use after 1961	Residual requirements for purchase of currencies in 1961
Afghanistan.....	\$1.3	\$0.5		\$0.8
Argentina.....	1.3	3.3	\$2.0	
Australia.....	2.4	.1		2.3
Austria.....	3.0	.7		2.3
Belgium.....	5.9	.1		5.8
Belgian oversea territories.....	.3			.3
Bolivia.....	.5	(*)		.4
Brazil.....	3.9	8.1	4.2	
Burma.....	1.1	4.1	3.0	
Cambodia.....	1.5	(*)		1.5

TABLE 1.—Requirements and availability of foreign currencies for the payment of U.S. obligations—Continued

[In millions of dollar equivalents]

Country	Estimated requirements, 1961	Approximate supply, 1961 ¹	Residual amounts available for use after 1961	Residual requirements for purchase of currencies in 1961
Canada.....	\$368.4	\$0.6		\$367.8
Ceylon.....	.9	3.0	\$2.0	
Chile.....	1.0	.6		.4
China, Republic of.....	11.7	1.8		9.9
Colombia.....	.7	5.2	4.5	
Costa Rica.....	1.3	(*)		1.2
Cuba.....	.7	.3		.4
Czechoslovakia.....	.3	(*)		.3
Denmark.....	1.5	(*)		1.5
Dominican Republic.....	.4	(*)		.4
Ecuador.....	.8	.6		.2
El Salvador.....	.6	(*)		.6
Ethiopia.....	5.4			5.4
Finland.....	.8	.5		.3
France.....	136.9	1.9		135.0
French oversea territories.....	.3			.3
Germany.....	917.5	16.9		900.6
Ghana.....	.7			.7
Greece.....	8.1	3.8		4.3
Guatemala.....	.6	(*)		.6
Haiti.....	.1	(*)		(*)
Honduras.....	.5	.1		.4
Hungary.....	.2	.7	.6	
Iceland.....	3.6	.3		3.3
India.....	7.2	139.9	132.6	
Indonesia.....	.8	10.4	9.7	
Iran.....	5.0	(*)		5.0
Iraq.....	1.6	(*)		1.6
Ireland.....	.3	.2		.1
Israel.....	1.7	27.3	25.6	
Italy.....	63.2	6.0		57.1
Japan.....	314.9	5.4		309.4
Jordan.....	.5	(*)		.5
Korea.....	35.8	4.1		31.8
Laos.....	.8			.8
Lebanon.....	4.3	(*)		4.3
Liberia.....	(*)			(*)
Libya.....	2.3	.2		2.1
Luxembourg.....	.2			.2
Malaya.....	.9			.9
Mexico.....	4.4	2.4		2.0
Morocco.....	12.1	3.7		8.4
Netherlands.....	6.3	3.9		2.4
New Zealand.....	1.3	(*)		1.3
Nicaragua.....	.2	(*)		.2
Norway.....	2.0	.1		2.0
Okinawa.....	2.8			2.8
Pakistan.....	5.9	28.2	22.3	
Paraguay.....	.2	.2		.1
Peru.....	.8	2.3	1.5	
Philippines.....	62.1	12.3		49.8
Poland.....	1.2	10.2	9.1	
Portugal.....	1.5	.1		1.5
Portuguese oversea territories.....	3.6	.1		3.5
Rumania.....	.1			.1

¹ Excludes restricted currencies which are available only for loans and grants in foreign countries or for specific U.S. agency programs, estimated in total at \$2,935.7 million.

* Less than \$50,000.

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 1.—Requirements and availability of foreign currencies for the payment of U.S. obligations—Continued

(In millions of dollar equivalents)

Country	Estimated requirements, 1961	Approximate supply, 1961 ¹	Residual amounts available for use after 1961	Residual requirements for purchase of currencies in 1961
Saudi Arabia.....	\$0.5	-----	-----	\$0.5
Somaland.....	.2	(*)	-----	.2
Spain.....	25.8	\$70.2	\$44.4	-----
Sudan.....	.4	.3	-----	.1
Sweden.....	1.1	.1	-----	1.0
Switzerland.....	1.4	.1	-----	1.3
Thailand.....	3.7	(*)	-----	3.7
Tunisia.....	.5	.1	-----	.4
Turkey.....	3.9	33.7	29.8	-----
Union of South Africa.....	.6	(*)	-----	.6
U.S.S.R.....	.7	.1	-----	.6
United Kingdom.....	183.2	1.6	-----	181.6
United Kingdom oversea territories.....	12.8	(*)	-----	12.8
United Arab Republic:				
(Egypt).....	1.8	13.0	11.2	-----
(Syria).....	.4	1.1	.7	-----
Uruguay.....	.4	4.2	3.8	-----
Venezuela.....	1.4	.1	-----	1.3
Vietnam.....	4.5	1.5	-----	3.1
Yugoslavia.....	.9	37.9	36.9	-----
Total.....	2,271.8	474.5	344.2	2,141.6

¹ Excludes restricted currencies which are available only for loans and grants in foreign countries or for specific U.S. agency programs, estimated in total at \$2,935.7 million.

* Less than \$50,000.

Sources of foreign currencies without purchase with dollars.—Within the limits established by title I of Public Law 480, any agricultural commodity found by the Secretary of Agriculture to be in surplus supply may be sold for foreign currencies, so long as precautions are taken that such sales do not displace normal trade (i.e., regular sales for dollars) or unduly disrupt world market prices. Such sales are covered by intergovernmental agreements which govern the terms of sale including the value of commodities to be purchased, the exchange rate at which payment will be made, the amounts of the sales proceeds which will be reinvested in the purchasing country on a loan or grant basis for economic or common defense purposes, and the amounts which the U.S. Government may use in the country, or possibly elsewhere, for other purposes. The shipment of the commodities is financed by the Commodity Credit Corporation as an extension of its agricultural price support operations. Any dollars received through sale of the currencies to agencies for programs covered by appropriations return to the CCC and reduce the size of the appropriation needed to cover its costs for the commodities shipped.

The Mutual Security Act of 1954, as amended, also includes several provisions under which foreign currencies accrue to the credit of the United States. Section 402 of that act specifies that a certain amount of the mutual security appropriations shall be used only to purchase surplus agricultural commodities for sale to foreign countries for their currencies. Section 505(a) of the act authorizes the sale of any commodities or services for foreign currencies, and section 103(c) of the act authorizes the

sale of military equipment, materials, and services for foreign currencies. These sales are also covered by intergovernmental agreements. However, since the commodities or services sold are supplied as part of the mutual security program and financed by that appropriation, the currency proceeds may be used only for the purposes of that program. These are generally economic development or common defense in the purchasing country, or sometimes in a different, aid recipient country when the purchasing country agrees and can supply needed exports.

The Mutual Security Act also requires a country receiving aid to deposit in a special account an amount of its currency equal to either the local sales value of the non-military commodity aid it receives or to the commensurate value of our dollar aid expenditures. These deposits are called counterpart. Generally, a share of this counterpart, which is usually 10% or less, must be transferred to U.S. Treasury accounts and is available for general United States use. The remaining 90% portion of counterpart funds is owned by the foreign country and remains in its custody for use only for mutual security purposes agreed to by the United States. None of these country-owned currencies is included in the tables herein.

Section 142(a)(9) of the Mutual Security Act also authorizes the receipt of currencies contributed by the foreign government for the local expenses of U.S. military assistance advisory groups abroad.

Other collections of foreign currencies arise from various governmental activities. Under an intergovernmental defense agreement, Japan has agreed to bear a part of the cost of our forces defending that country by contributing yen to assist in meeting some local costs. Sales of U.S. Government surplus property and settlement of World War II lend-lease debts for foreign currencies are authorized under several laws and international agreements. Under the Information and Educational Exchange Act of 1948 (Public Law 402), the U.S. Government (informational media guarantee fund) contracts with American exporters of books, periodicals, and motion pictures to exchange for dollars certain foreign currencies received from sale of such materials. Other currencies are also received in payment for consular services, interest on deposits of currencies in foreign banks, etc.

In addition to the above, some foreign currencies are acquired as loan repayments. Beginning in 1955, for example, the Mutual Security Act authorized repayment of mutual security loans in foreign currencies. Interest and principal repayments are now also beginning on economic development loans made to foreign countries and on loans to private enterprises under Public Law 480. Development Loan Fund loans and interest often may be repaid in the currency of the borrowing country.

In summary, most currencies accruing to the credit of the United States result from past or current international agreements authorized under several laws. In most cases, these international agreements reflect either sales arrangements, wherein commodities (usually surplus agricultural commodities) are sold to a foreign purchaser for currencies, or they reflect loan agreements, wherein dollars or foreign currencies themselves are lent to foreign borrowers and may be repaid in the currency of the borrower. Currencies also become available in much smaller amounts under special international agreements and the normal operations of the U.S. Government abroad.

Table 2 summarizes for 1959, 1960, and 1961 the collections, expenditures, and balances of foreign currencies.

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

This table reflects the inflow and outflow of all U.S.-owned foreign currencies. (It excludes foreign currencies held in trust, of which \$35.9 million were on hand at the end of 1959, and currencies obtained by dollar purchase.)

The cash balances carried forward at the end of 1961 are estimated to total \$2.2 billion. Of this amount, approximately \$1.1 billion is estimated to be available for U.S. agency purposes—either for special programs or for general United States use. The remainder is expected to be available under international agreement or under law only for loans and grants in foreign countries.

TABLE 2.—Summary of collections, expenditures, and balances of foreign currencies

[Fiscal years. In millions of dollar equivalents ¹]

	1959 actual	1960 estimate	1961 estimate
Cash balances brought forward (in Treasury and agency accounts):			
Public Law 480, sales of agricultural commodities (title I).....	\$1,412.4	\$1,661.4	\$1,738.1
Mutual security proceeds of sales of agricultural and other commodities..	318.9	276.9	266.8
Development Loan Fund.....	11.1
Other.....	51.8	105.2	132.9
Subtotal.....	1,783.0	2,043.8	2,149.4
Collections:			
Public Law 480, sales of agricultural commodities (title I).....	836.9	840.5	912.5
Mutual security:			
Proceeds of sales of agricultural and other commodities.....	220.1	150.0	160.0
U.S. portion of counterpart deposits..	19.9	12.7	12.7
Other mutual security collections.....	37.6	5.6	27.2
Other nonloan collections:			
Contributions for support of U.S. forces abroad.....	46.5	23.1
Surplus property and lend-lease.....	61.7	60.7	35.7
Informational media guarantees.....	7.5	7.5	7.5
Miscellaneous.....	31.5	51.5	47.2
Loan repayments (principal and interest):			
Development Loan Fund.....	.3	11.8	25.1
Public Law 480 loans.....	1.2	5.4	17.0
Mutual security loans.....	6.7	12.0	16.0
Subtotal.....	1,269.9	1,180.9	1,260.8
Deduct—			
Sales for dollars to appropriations and funds:			
For credit to miscellaneous receipts....	150.2	128.2	73.5
For credit to appropriations and funds..	89.8	92.6	154.3
Expenditures in agency accounts (see table 4).....	729.0	814.5	960.2
Adjustment due to changes in exchange rates.....	-42.3	-40.0	-40.0
Other adjustments.....	2.3
Cash balances carried forward (in Treasury and agency accounts).....	2,043.8	2,149.4	2,182.2
Estimated availability for use of these balances is as follows:			
Available only for loans or grants in foreign countries.....	\$1,156.2	\$1,150.4	\$1,068.3
Available for U.S. purposes.....	887.7	999.0	1,113.9

¹ Collections at rates specified in loan and sales agreements, except nonloan collections. Nonloan collections, sales, and expenditures at Treasury selling rates.

Table 3 by contrast is not on a cash basis. It indicates amounts owed to the United States at the beginning and end of each of the 3 years 1959–61, which are payable in foreign currencies, even though the payment may not be due until some future year. Loan agreements, for example, provide for repayment over periods up to 40 years. As shown in the table, uncollected balances totaled \$2.1 billion at the end of 1959, and are estimated to rise to \$2.9 billion by the end of 1960 and further to \$3.8 billion by June 30, 1961. The estimated increase reflects largely the effects of loans and other agreements under

Public Law 480, and the expanding loan activity of the Development Loan Fund.

TABLE 3.—Potential availability of foreign currencies (currencies receivable, earnings, and collections)

[Fiscal years. In millions of dollar equivalents ¹]

	1959 actual	1960 estimate	1961 estimate
Uncollected balances, beginning of year:			
Outstanding loans:			
Development Loan Fund.....	\$1.5	\$41.6	\$172.8
Mutual security program.....	428.7	579.4	669.4
Public Law 480.....	303.2	629.3	1,038.5
Other agreements:			
Mutual security program.....	186.0	141.8	187.6
Public Law 480.....	699.0	706.5	831.0
Surplus property and lend-lease.....	29.4	29.9	29.0
Total.....	1,647.8	2,128.6	2,928.5
Additions (accruals and earnings) during the year:			
New loans and interest accrued:			
Development Loan Fund.....	40.5	142.9	260.8
Mutual security program.....	157.4	102.0	75.0
Public Law 480.....	327.3	414.6	528.3
Other new agreements:			
Mutual security program.....	225.9	208.6	112.0
Public Law 480.....	899.8	1,000.0	1,100.0
Surplus property and lend-lease.....	62.8	59.8	36.2
Earnings other than under agreements..	93.1	87.8	60.3
Total.....	1,806.8	2,015.8	2,172.6
Deduct—			
Collections during the year (see table 2).....	1,269.9	1,180.9	1,260.8
Other reductions in amounts due.....	56.1	35.0	35.0
Uncollected balances, end of year.....	2,128.6	2,928.5	3,805.3
Estimated availability for use of these balances is as follows:			
Available only for loans and grants in foreign countries.....	\$793.4	\$1,047.7	\$1,298.1
Available for U.S. purposes.....	1,335.2	1,880.8	2,507.2

¹ At rates specified in loan and sales agreements, except surplus property and lend-lease at Treasury selling rates.

Limits on uses of foreign currencies.—The amount of foreign currencies accruing to the credit of the United States is large and is increasing, as tables 2 and 3 illustrate. However, international agreements, and in many cases the nature of the economy on which they are a claim, restrict the use of the greater part of these currencies.

First, sales of agricultural commodities, through which most of the currencies are acquired, are often largely concessional. In these transactions the purchasing country seeks to minimize the real cost of the sales to itself in terms of export of its resources. This practice comes about in part because the sales are generally over and above the amount of exports the United States could sell in the international market on commercial terms (for dollars), and in part because U.S. foreign policy usually has the objective of aiding the economic development of the country involved. As a result, large amounts of currencies acquired by the United States from the sale of farm commodities are restricted by the purchase agreement so they can only be loaned or granted back to the buying country for its economic development. This is true of most of the currency received under the Mutual Security Act and Public Law 480, the two largest sources.

Second, virtually all of the currencies are inconvertible under the laws and regulations of the purchasing country. This means they cannot be freely used to buy goods in third countries. Neither can they be exchanged for another currency which we may be able to use. Similarly, a country which limits convertibility of its currency is

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

usually unwilling to accept its own currency in payment, in any large amount, for exports, which represent a net drain on the country. Indeed the largest amounts of currency accrue in less developed countries where the use of large amounts of local currency for programs which are not of mutual interest might significantly drain scarce resources and result in pressure for increased U.S. aid.

Third, various provisions of law authorize the use of some of these currencies for special U.S. programs without charge to agency appropriations. During the negotiation of international sales agreements, these special uses for U.S. programs sometimes have been indicated to the foreign government, resulting in an informal understanding about their use. Some of the currencies collected must therefore be husbanded and then allocated for these specially authorized programs. In many countries this results in a reduction in currencies that might otherwise have been available to sell to agencies to meet their regular local expenses. This in turn means the United States foregoes Treasury receipts, and in currency shortage countries has the same effect on the Treasury as spending dollars for these specially authorized programs. Wherever possible such restrictions will not be included in future sales agreements.

In large part because of these limitations, the greater part of currency use is not reflected in the budget totals. These transactions, most of which are loans and grants in the foreign country, are summarized in table 4.

Almost all the extra-budgetary expenditures for 1961 projected in table 4 are for loans and grants in foreign countries. Of this amount \$100 million equivalent is for loans by the Export-Import Bank to American enterprises and certain foreign firms for the expansion of private enterprise overseas. These loans derive from the sale of surplus agricultural commodities under title I of Public Law 480, as do \$650 million equivalent of the loans and grants for economic development and the common defense administered by the ICA. In addition, the ICA will use, for similar purposes, \$175 million equivalent derived mainly from the sale of surplus agricultural commodities financed by the mutual security appropriation.

In this regard, it should be pointed out that granting or lending a country its own currency under Public Law 480 and the Mutual Security Act does not provide it with additional external resources as dollar payments do. No labor, capital equipment, and materials are provided which the country did not have before. Additional economic resources from outside a country's borders can only be furnished in the form of goods or dollars or other convertible currencies to be used for the purchase of goods. Thus, a country's own currencies are not a substitute for dollars in the mutual security or other assistance program for that country.

As indicated below, it is proposed that U.S. agency foreign currency programs be covered by appropriations, starting in 1961. However, \$34.9 million equivalent of the estimated expenditures for 1961 indicated in table 4 for U.S. agency programs outside appropriations derive from funds allocated in 1960 and previous years under permanent authority for such use without further congressional action for mutual security exports and military family housing.

TABLE 4.—Summary of transactions in agency accounts for use of currencies without dollar appropriation

(Fiscal years. In thousands of dollar equivalents)

Program and Financing			
	1959 actual	1960 estimate	1961 estimate
Programs:			
1. Loan and grant programs under Public Law 480:			
Mutual security program.....	\$857, 371	\$750, 000	\$800, 000
Export-Import Bank of Washington.....	23, 403	80, 200	135, 200
2. U.S. agency programs under Public Law 480:			
Mutual security program exports..	11, 940	13, 578	-----
United States Information Agency..	3, 273	5, 042	-----
Department of Agriculture.....	6, 554	30, 794	-----
Department of Defense.....	16, 515	24, 734	-----
Department of State.....	5, 870	7, 337	-----
3. Mutual security program.....	258, 682	146, 579	165, 000
4. Development Loan Fund.....	-----	500	5, 000
5. Department of State.....	400	-----	-----
Total obligations.....	1, 184, 008	1, 058, 764	1, 105, 200
Financing:			
Unobligated balance brought forward (—).....	-1, 459, 957	-1, 227, 488	-1, 318, 270
Recoveries of prior year obligations (—).....	-137	-----	-----
Adjustment due to changes in exchange rates.....	10, 019	137	-----
Unobligated balance carried forward....	1, 227, 488	1, 318, 270	1, 322, 777
Unobligated balance no longer available..	11, 542	1, 781	-----
Unobligated balance transferred to appropriations.....	-----	35, 076	-----
Dollar value credited to appropriations or funds.....	1, 261	5, 561	2, 693
Authorizations to expend foreign currency receipts.....	974, 224	1, 192, 096	1, 112, 400
Authorizations are distributed as follows:			
For loans and grants in foreign countries..	\$921, 850	\$1, 123, 000	\$1, 112, 000
For U.S. purposes.....	52, 374	69, 096	400
Analysis of Expenditures			
Obligated balance, start of year.....	\$216, 898	\$669, 789	\$880, 677
Obligations incurred during year (net)....	1, 183, 871	1, 058, 764	1, 105, 200
Adjustment of prior year obligations.....	-1, 378	-----	-----
Adjustment due to changes in exchange rates.....	-610	-416	-----
Obligated balance, end of year, transferred to appropriations.....	-----	-32, 978	-----
Obligated balance, end of year.....	-669, 789	-880, 677	-1, 025, 676
Expenditures.....	728, 991	814, 482	960, 200
Expenditures are distributed as follows:			
1. Loan and grant programs under Public Law 480:			
Mutual security program.....	\$421, 736	\$550, 000	\$650, 000
Export-Import Bank of Washington.....	11, 189	45, 000	100, 000
2. U.S. agency programs under Public Law 480:			
Mutual security program exports....	7, 350	6, 380	11, 821
United States Information Agency..	1, 215	4, 009	-----
Department of Agriculture.....	4, 836	12, 315	5
Department of Defense.....	14, 891	28, 800	23, 084
Department of State.....	5, 303	7, 766	-----
3. Mutual security program.....	262, 071	160, 062	174, 690
4. Development Loan Fund.....	-----	150	600
5. Department of State.....	400	-----	-----

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

Informational tables on currency uses which are not reflected in the budget totals are included in the budget document accompanying the information on related programs.

Congressional review of foreign currency uses.—Currencies received by the United States in the course of its operations are available for general sale by the Treasury to Federal agencies for meeting any foreign currency costs of agency programs, unless there is a specific provision of law or international agreement prohibiting or limiting the use of the currencies. Normally, when an agency requires foreign currencies to carry out its activities, it must, by Treasury regulation, seek to buy such currencies from the Treasury Department. If that Department has the specifically requested currencies available, it sells them to the agency by charging the agency's appropriations accordingly. If the particular foreign currencies required are not available, they must be purchased through banking channels.

The currencies sold by the Treasury come from many sources including the U.S. share of mutual security counterpart funds and of Public Law 480 sales proceeds, contributions of foreign governments to the administrative expenses of the military advisory assistance groups, the receipts of the informational media guarantee fund derived from the sale of U.S. publications abroad, interest on deposits of currency funds, the disposal of surplus property, and similar operations.

All currencies purchased by agencies from the Treasury with their regular dollar appropriations or with special appropriations provided to purchase the currencies are reflected in the budget as dollar receipts and expenditures. The dollar proceeds from Treasury sales are either credited to the miscellaneous receipts of the Treasury, or to various revolving funds or appropriations as authorized by law. Public Law 480 requires the dollar proceeds from sale of Public Law 480 currencies to be credited to the Commodity Credit Corporation. Sales of currencies received from the operations of the informational media guarantee fund are credited to that fund, and currencies obtained through the sale of military equipment under the Mutual Security Act are credited to the military assistance appropriation.

Prior to July 1953, except for a relatively small amount in the custody of the Treasury Department, most currencies were held by the Federal agencies administering the intergovernmental agreements under which the currencies were obtained. These currencies generally were not subject to the same fiscal and budgetary controls which govern the dollar funds of the Government, i.e., use of the currencies was not subject to regular appropriation processes and there was some doubt as to the applicability of the usual rules for accountability.

The Congress recognized the need for a better system of control over the foreign currencies. This led to the en-

actment of section 1415 of the Supplemental Appropriation Act of 1953, which provides that "foreign credits owed to or owned by the U.S. Treasury will not be available for expenditure after June 30, 1953, except as may be provided for annually in appropriation acts." A general appropriation act provision, which has been annually enacted since 1954, states that U.S.-owned currencies may be used for program purposes carried on by an appropriation if such use is charged to the appropriation. Under this provision, expenditure of foreign currencies has been controlled by including in the regular dollar appropriations of Federal agencies sums sufficient for the purchase from Treasury of foreign currencies needed for their programs.

Major exceptions to section 1415 have been authorized by the Congress in recent years. Most of the currencies derived from the sale of surplus agricultural commodities abroad have been made available by statute for expenditure for particular purposes without reimbursement to the Treasury from agency dollar appropriations. This is the situation with respect to those currencies received under section 402 of the Mutual Security Act and most of those received under title I of Public Law 480. In addition, currencies obtained under sections 505(a) and 103(c) of the Mutual Security Act of 1954 may be used for mutual security purposes.

Repayments of Development Loan Fund loans in foreign currencies are available for relending by the Development Loan Fund. Public Law 480 loan repayments may be used for educational exchange programs and agricultural market development abroad. Amounts not so used may be made available to sell to agencies to meet their regular program needs in accordance with section 1415.

There is always a cost to the American taxpayer of specially authorized programs which tends to be hidden by extra budgetary authorizations. In the relatively few countries where currencies are available considerably in excess of regular program needs, the cost to the United States is no more than the value of the goods and services for which the currencies were obtained. This may also be true where the use of the currencies has been restricted by international agreement, e.g., proceeds from the sale of surplus farm commodities available only for loans, grants, or other specified purposes. In currency shortage countries, the disbursing officer must purchase currencies to meet regular agency needs. To the extent that specially authorized uses of these same currencies drain off amounts otherwise available to reduce the requirement for commercial purchases these uses cost dollars.

Also, so long as specially authorized currency programs remain outside the budget, the agency's program is expanded without any apparent increase in its budget and

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

the Commodity Credit Corporation or other agency which financed the source of the currencies remains charged with the cost of another agency's program supplementation.

Recommendations for 1961.—It is proposed that beginning in 1961 all currency uses for U.S. agency operations be covered by appropriations. These would generally be unrestricted dollar appropriations under which needed currencies could be purchased from the Treasury if available, from outside sources if not. This is now the case for the salaries and expenses of regular departmental programs overseas which use currencies. For

those situations where currencies are available in the Treasury in excess of amounts needed for regular operations, or where the use of currencies is restricted by international agreement or understanding, special appropriations are proposed for foreign currency programs. These special appropriations are limited to the purchase of excess or restricted currencies. It is expected in future years, as restrictions in international agreements are avoided on U.S. uses of foreign currencies, that these special foreign currency programs will generally be limited to the few countries where excess currencies are available.

TABLE 5.—Planned uses in 1961 of uncommitted proceeds of title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959, under proposed special appropriations

[In thousands of dollar equivalents at Treasury selling rates]

(1)	Legislative branch; Library of Congress (sec. 104(u))	National Science Foundation; Scientific Information (sec. 104(k))	United States Information Agency		Department of Agriculture				Department of Commerce; Research (sec. 104(k))
			Publications (sec. 104(l))	Binational centers (sec. 104(j))	Market development (sec. 104(a))	Agricultural fairs (sec. 104(m))	Utilization research (sec. 104(a))	Research (sec. 104(k))	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Excess currencies:									
India.....	\$754	\$100	\$787	\$300	\$1,398		\$50	\$1,660	\$1,812
Israel.....	375	730	300		140		140	1,080	1,320
Pakistan.....	31				789			710	367
Poland.....	263	500		50	240		150	1,901	743
United Arab Republic (Egypt).....	217	100	175		145			202	
Yugoslavia.....	410	170	400		203		184	866	275
Undistributed.....					1,485		720		
Total excess currencies.....	2,051	1,600	1,662	350	4,400		1,244	6,419	4,517
Nonexcess currencies:									
Argentina.....					15				
Austria.....									
Brazil.....					522		325	761	83
Burma.....					338			255	17
Ceylon.....					53		200	150	
China, Republic of.....	100								
Colombia.....			25	702	443		350	900	
Ecuador.....					19				
France.....					596				
Greece.....					234		112		
Indonesia.....				500	362			314	23
Italy.....					858				
Korea.....					79				
Mexico.....					1,077				
Peru.....					310		20		
Philippines.....					76				
Portugal.....					32				
Spain.....	515				1,221		50	1,382	328
Turkey.....					79			100	
United Kingdom.....									12
Uruguay.....			24	130	73		510	1,760	20
Vietnam.....				100					
Undistributed.....					2,835	\$1,000	280		
Total nonexcess currencies.....	615		49	1,432	9,222	1,000	1,847	5,622	483
Total.....	2,666	1,600	1,711	1,782	13,622	1,000	3,090	12,041	5,000

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

It is also proposed that unexpended balances of previous authorizations to spend foreign currencies for U.S. programs for which new authorizations are recommended in 1961 be converted to appropriations as of June 30, 1960, except for military family housing. It is estimated that these balances will total \$68.1 million, of which \$33.2 million represents balances of previous allocations and determinations by the Secretary of State for educational exchange.

No change is recommended in the authorizations for use without regard to section 1415 of currencies committed

by international agreement to loans or grants in the country. These uses do not add to the resources of the country and do not substitute for dollars in any sense. They are similar to the country-owned counterpart funds not covered by this analysis.

Table 5 shows by country the proposed new appropriations for special foreign currency programs for 1961. \$39.3 million are proposed for use of excess currencies in India, Israel, Pakistan, Poland, the United Arab Republic (Egypt), and Yugoslavia. \$33.6 million are proposed for use of restricted currencies in 23 other countries.

TABLE 5.—Planned uses in 1961 of uncommitted proceeds of title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959, under proposed special appropriations—Continued

[In thousands of dollar equivalents at Treasury selling rates]

Department of Defense: Military family housing (Public Law 765)	Department of Health, Education, and Welfare: Research (sec. 104(k))	Department of the Interior: Research (sec. 104(k))	Department of State					Total	
			Buildings (sec. 104(l))	Educational and cultural development (sec. 104(k))	Educational exchange under Public Law 402 (sec. 104(h))	American sponsored schools (sec. 104(o))	Workshops and chairs (sec. 104(p))		
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	
	\$2,135	\$876	\$2,050	\$330	\$309	\$700	\$195	\$13,456	Excess currencies:
	290	238					55	4,668	India.
	758	631	200	150	116		120	3,872	Israel.
	212	1,131	950		97			6,237	Pakistan.
									Poland.
	370	456			36	500	120	2,321	United Arab Republic (Egypt).
	500	1,076			60		75	4,219	Yugoslavia.
\$2,242		114						4,562	Undistributed.
2,242	4,266	4,522	3,200	480	618	1,200	565	39,335	Total excess currencies.
									Nonexcess currencies:
								15	Argentina.
							152	152	Austria.
	226		600		25		195	2,737	Brazil.
	50			120	145	250	69	1,244	Burma.
					30		63	496	Ceylon.
								100	China, Republic of.
	3				28	997	189	3,637	Colombia.
								19	Ecuador.
						214		810	France.
								346	Greece.
	148		300	150	30	200	69	2,096	Indonesia.
								858	Italy.
								79	Korea.
								1,077	Mexico.
								330	Peru.
								76	Philippines.
								32	Portugal.
2,408		435			28	220	75	6,662	Spain.
3,692						360		4,231	Turkey.
658					10		24	704	United Kingdom.
			750		29	324	57	3,677	Uruguay.
					28		18	146	Vietnam.
								4,114	Undistributed.
6,758	427	435	1,650	270	353	2,565	911	33,639	Total nonexcess currencies.
9,000	4,693	4,957	4,850	750	970	3,764	1,476	72,973	Total.

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

All of these currencies are proceeds of the sale of surplus agricultural commodities under Public Law 480.

It is generally difficult to predict the size and the location of future sales of surplus agricultural commodities covering these currencies, as well as the share of the proceeds to be available for U.S. uses, due to the uncertainties of agricultural production, both here and abroad, and the often unforeseeable results of sales negotiations. Therefore, it is not feasible to develop programs on the basis of a forecast of future sales agreements.

The programs proposed, as shown in table 5, have been developed on the basis of the actual and anticipated proceeds of sales agreements signed or approved for negotiation through September 15, 1959. Generally, the early deposits under a sales agreement are made available for U.S. uses. Thus, it is anticipated that sales proceeds will be on hand under these sales agreements in sufficient amount to cover these proposed programs prior to the time the obligations need to be made.

All of the amounts shown on table 5 and subsequent tables are the dollar equivalents of actual and anticipated foreign currency sums. In table 5, the dollar equivalents are computed at the June 30, 1959, exchange rates at which the Treasury was selling foreign currencies to agencies for their use abroad. These rates are generally the most advantageous rates at which the currencies may be legally obtained, and thus provide a valuation which is on a comparable basis with dollar expenditures for U.S. programs in the country. The sales agreements, however, provide for the payment of foreign currencies at a rate specified in the agreement (usually based on rates applicable to that country's imports). The total payment is equal to the dollar value at world market prices of the agricultural commodities and ocean freight involved. The dollar equivalents for the value of the sales agreements and for the past uses are included in tables 6, 7, 8, and 9 at the exchange rates indicated in the agreements. The necessary adjustment between these two sets of exchange rates for the balances which are available for programing purposes (\$102 million equivalent) is indicated on table 6. Table 7 shows the balances by country at both rates.

In arriving at the amounts shown in table 5, the share of sales proceeds which could be used for the payment of U.S. obligations abroad was identified. Generally this was the maximum amount which could be used for this purpose under the sales agreements and the informal understandings accompanying them. These amounts, together with agreement commitments for loans and grants and past allocations, were then subtracted from agreement totals, as indicated in table 6. Eligible agencies were then notified of the remaining amounts of foreign currencies to be available in each country, and were requested to prepare budget submissions indicating the currencies that

could advantageously be used for authorized programs. These submissions were reviewed in a manner similar to the review of regular agency dollar budgets. The recommendations developed are indicated in table 5. The country amounts are based on the best information currently available. While some modifications may become necessary, it is not expected that the availability of currencies will permit carrying out programs in countries other than those indicated. The proposed amounts for agricultural market development which are undistributed by country are in anticipation of amounts to be derived from future sales agreements which may be used in third countries.

Availability of Public Law 480 currencies.—As indicated in table 6, sales agreements from the inception of title I (Public Law 480) through September 15, 1959, totaled

TABLE 6.—Amounts available and proposed authorizations of sales proceeds of title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959

[In thousands of dollar equivalents]

Value of sales agreements (table 7).....	\$4,001,289
Less amount of sales proceeds committed for—	
Loans and grants in purchasing country (table 8).....	2,790,586
Treasury sales to appropriations and funds (table 7):	
For section 104(k) scientific activities ¹	6,063
For general expenses of the United States.....	594,321
Other purposes (table 9).....	286,320
Unallocated balance as of June 30, 1960, at rates specified in sales agreements.....	323,999
Less adjustment due to exchange rate differentials.....	102,092
Unallocated balance at Treasury selling rates.....	221,907
Less proposed appropriations to purchase foreign currencies (table 5).....	72,973
Remaining unallocated balance for use after 1961.....	148,934

¹ At Treasury selling rates, the dollar equivalent of these currencies is equal to the 1959 appropriation of \$5.1 million.

\$4 billion, adjusted in several cases for shortfalls in deliveries of the commodities. Commitments of \$2.8 billion for loans and grants under these agreements and authorizations for other uses, including Treasury sales, have reduced the amount available for 1961 programs to the equivalent of \$324 million at the exchange rate specified in the sales agreements, or \$222 million at Treasury selling rates.

The tables which follow are designed to provide greater detail on the activities in various countries involving the use of foreign currencies under Public Law 480. Tables 7 and 8 show by country the value of the sales agreements signed or approved for negotiation through September 15, 1959, the amounts allocated to the Treasury for sale to appropriations and funds for the payment of U.S. obligations and the amounts committed for loans and grants. Table 9 shows by country the amounts allocated, or to be allocated, to other agencies for authorized programs.

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 7.—Cumulative sales agreements by country under title I, Public Law 480, signed or approved for negotiation through Sept. 15, 1959, uses by major category, and estimated balances available

[In thousands of dollar equivalents]

Country	At rates specified in sales agreements					Estimated unallocated balances June 30, 1960, available for U.S. agency programs	
	Total value of sales agreements	Commitments for loans and grants in purchasing country	Allocations and reservations for Treasury sale (and credit to CCC) through June 30, 1960		Estimated authorizations for other U.S. agency programs through June 30, 1960	At rates specified in sales agreements	At Treasury selling rates
			For general expenses	For sec. 104(k) scientific activities			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Argentina.....	\$29,331	\$18,231	\$9,850	-----	\$1,146	\$104	\$22
Austria.....	40,940	26,328	2,095	-----	12,313	204	206
Brazil.....	178,407	148,072	21,478	-----	5,226	3,631	3,015
Burma.....	58,700	46,050	6,638	-----	2,372	3,640	3,666
Ceylon.....	21,000	16,380	2,462	-----	975	1,183	1,189
Chile.....	38,863	30,961	5,831	-----	2,071	-----	-----
China, Republic of.....	34,819	24,419	8,750	-----	1,549	100	100
Colombia.....	69,874	51,434	10,172	-----	4,144	4,124	4,124
Ecuador.....	9,337	7,230	1,067	-----	1,018	22	19
Finland.....	37,323	24,730	2,989	\$712	8,329	563	566
France.....	33,245	7,824	5,285	-----	13,131	7,005	6,037
Germany.....	1,197	-----	120	-----	1,077	-----	-----
Greece.....	65,857	47,770	14,480	-----	3,151	456	458
Iceland.....	8,045	6,451	1,364	-----	209	21	14
India.....	897,000	750,450	89,702	516	28,670	27,662	28,175
Indonesia.....	137,000	111,600	19,104	-----	2,621	3,675	2,664
Iran.....	12,415	8,267	2,817	-----	1,331	-----	-----
Israel.....	130,176	110,930	10,421	1,285	2,261	5,279	5,279
Italy.....	152,900	106,750	18,254	-----	25,343	2,553	2,569
Japan.....	146,332	105,581	305	-----	32,872	7,574	7,574
Korea.....	164,871	136,490	23,391	-----	3,151	1,839	1,839
Mexico.....	28,200	20,700	2,900	-----	3,520	1,080	1,080
Netherlands.....	253	-----	25	-----	228	-----	-----
Pakistan.....	271,450	212,040	27,238	324	5,569	26,279	26,652
Paraguay.....	3,000	2,250	559	-----	191	-----	-----
Peru.....	21,980	15,706	3,536	-----	2,317	421	349
Philippines.....	14,400	9,300	2,993	-----	1,781	326	326
Poland.....	182,000	-----	18,200	1,730	7,710	154,360	67,357
Portugal.....	7,081	3,400	1,601	-----	2,043	37	38
Spain.....	392,594	206,208	144,214	204	34,198	7,770	6,662
Thailand.....	4,600	2,050	971	10	1,569	-----	-----
Turkey.....	186,508	98,436	74,598	150	8,635	4,689	4,232
United Arab Republic (Egypt).....	125,117	80,167	15,326	153	4,403	25,068	26,039
United Kingdom.....	48,596	-----	221	326	47,347	702	704
Uruguay.....	47,200	35,450	4,740	-----	1,443	5,567	4,051
Vietnam.....	10,900	8,100	1,870	-----	597	333	333
Yugoslavia.....	389,778	310,831	38,754	653	11,809	27,731	16,569
Total.....	4,001,289	2,790,586	594,321	6,063	286,320	323,999	221,907

SPECIAL ANALYSIS E—Continued
FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 8.—Cumulative commitments for loans and grants in purchasing country in title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959

[In thousands of dollar equivalents at rates specified in sales agreements]

Country (1)	Common defense assistance grants (sec. 104(c)) (2)	Economic development grants (sec. 104(e)) (3)	Private enterprise loans (sec. 104(e)) (4)	Economic development loans (sec. 104(g)) (5)	Total (6)
Argentina.....				\$18,231	\$18,231
Austria.....				26,328	26,328
Brazil.....				148,072	148,072
Burma.....		\$6,000	\$1,800	33,250	46,050
Ceylon.....		3,060	5,260	8,060	16,380
Chile.....				30,961	30,961
China, Republic of.....	\$13,000		6,000	5,419	24,419
Colombia.....			11,270	40,164	51,434
Ecuador.....			460	6,770	7,230
Finland.....			2,059	22,670	24,729
France.....			7,824		7,824
Greece.....		7,470	2,900	37,400	47,770
Iceland.....			765	5,686	6,451
India.....		185,300	85,850	479,300	750,450
Indonesia.....	14,280	14,200	10,000	73,120	111,600
Iran.....	5,763			2,503	8,267
Israel.....			19,827	91,103	110,930
Italy.....			6,250	100,500	106,750
Japan.....				105,581	105,581
Korea.....	134,490		2,000		136,490
Mexico.....			7,100	13,600	20,700
Pakistan.....	79,260	12,860	29,260	90,660	212,040
Paraguay.....				2,250	2,250
Peru.....			1,963	13,744	15,706
Philippines.....	3,100		1,000	5,200	9,300
Portugal.....				3,400	3,400
Spain.....	9,910			196,298	206,208
Thailand.....				2,050	2,050
Turkey.....	62,714		12,980	22,742	98,436
United Arab Republic (Egypt).....			26,500	53,667	80,167
Uruguay.....			11,750	23,700	35,450
Vietnam.....	5,400		2,700		8,100
Yugoslavia.....		106,010		204,821	310,831
Total.....	327,917	334,900	255,518	1,872,250	2,790,586
Loans.....			255,518	1,872,250	2,127,768
Grants.....	327,917	334,900			662,817

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 9.—Cumulative authorizations, other than appropriations, through June 30, 1960, for U.S. agency programs overseas under title I, Public Law 480, sales agreements signed or approved for negotiation through Sept. 15, 1959

[In thousands of dollar equivalents at rates specified in sales agreements]

Country	Mutual security program: Exports to third countries (sec. 104(d))	United States Information Agency		Department of Agriculture				Department of Defense		Department of State			Total authorizations
		Publications programs (sec. 104(i))	Binational centers (sec. 104(j))	Market development (sec. 104(a))	Utilization research (sec. 104(a))	Special obligations (sec. 104(f))	Agricultural fairs (sec. 104(m))	Joint projects (sec. 104(e))	Military family housing (Public Law 765)	Expenses under sec. 602(b) Mutual Security Act, 1954 (sec. 104(f))	Educational exchange (sec. 104(h))	American-sponsored schools (sec. 104(j))	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Argentina				\$436						\$10	\$700		\$1,146
Austria	\$806	\$75	\$40	1,040					\$9,702		200	\$450	12,313
Brazil		330	186	1,519				\$1,106		10	1,765	310	5,226
Burma		251	500	529							1,092		2,372
Ceylon		100		127							748		975
Chile				773				88		10	1,200		2,071
China, Republic of											1,549		1,549
Colombia		111	242	1,208				61		10	2,031	480	4,143
Ecuador			125	298						5	315	275	1,018
Finland	3,691	789		256	\$750	\$104			1,350	5	1,384		8,329
France	4,744	250		2,349	1,190						3,898	700	13,131
Germany				1,077									1,077
Greece		250	560	1,401								1,000	3,151
Iceland						61					148		209
India	15,383	1,675	115	2,502	1,685	50	\$1,114				6,146		28,670
Indonesia		1,101		339	690						491		2,621
Iran		140	250	196							745		1,331
Israel	100			1,459	680					22			2,261
Italy	10,000	501	155	2,949	2,503				7,937		298	1,000	25,343
Japan	10,589			3,264					17,000	10	2,009		32,872
Korea		100	23	128					2,000		900		3,151
Mexico			400	1,270			150				1,200	500	3,520
Netherlands				228									228
Pakistan		397	150	861	604	50					3,506		5,568
Paraguay					41						150		191
Peru		100	123	989				100		10	787	208	2,317
Philippines				428							753	600	1,781
Poland				626	6,969	115							7,710
Portugal				240					1,500	3	300		2,043
Spain		97	500	3,184	1,249				26,721		2,448		34,199
Thailand		100	270	604						7	589		1,570
Turkey		400	874	779	820				1,306		2,521	1,935	8,635
United Arab Republic (Egypt)		173		110	630						2,990	500	4,403
United Kingdom				303	3,120				43,924				47,347
Uruguay			194	36							1,213		1,443
Vietnam		199	99								299		597
Yugoslavia		300		1,825	6,302				2,000		1,382		11,809
Total	45,313	7,439	4,746	33,333	27,233	380	1,264	1,355	113,440	102	43,757	7,958	286,320

SPECIAL ANALYSIS F

SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS

BY AGENCY AND ACCOUNT TITLE

(In thousands)

Description	1959 actual	1960 estimate	1961 estimate
PUBLIC ENTERPRISE FUNDS			
Investments in Government securities:			
Independent offices:			
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund.....	\$16,650	\$50,000	\$57,000
Veterans Administration: Veterans special-term insurance fund.....	17,897	18,836	20,200
Housing and Home Finance Agency:			
Federal National Mortgage Association: Management and liquidating functions fund (debentures issued and redeemed by Federal Housing Administration, net).....	14,260		* 6,000
Federal Housing Administration fund.....	53,083	92,300	113,433
Total investments in Government securities.....	101,890	161,136	184,633
Issuance (-) and redemption (+) of debt to the public:			
Independent offices:			
Farm Credit Administration: Federal Farm Mortgage Corporation fund.....	+26	+25	+25
Federal Home Loan Bank Board: Home Owners' Loan Corporation fund.....	+44	+40	+40
Tennessee Valley Authority: Tennessee Valley Authority fund.....			-115,000
Housing and Home Finance Agency:			
Federal Housing Administration fund ¹	-9,864	-5,440	+9,379
Federal National Mortgage Association: Management and liquidating functions fund.....	+6,420	+21	
Total issuance (-) and redemption (+) of debt to the public.....	-3,374	-5,354	-105,556
Net increase (-) or decrease (+) in cash balances due to debt and investment transactions of public enterprise funds.....	+98,516	+155,782	+79,077
TRUST FUNDS			
Investments in Government securities:			
Legislative branch: Library of Congress trust fund principal accounts.....		* \$16	
The judiciary: Judicial survivors annuity fund.....	\$104	236	\$170
Independent offices:			
Civil Service Commission:			
Civil service retirement and disability fund.....	956,229	811,000	771,533
Employees health benefits fund.....			7,477
Employees life insurance fund.....	57,978	43,312	42,800
Farm Credit Administration: Operating fund, Federal intermediate credit banks.....	* 99,520		
National Capital Housing Authority: Operation and maintenance, etc.....	3,977	* 3,027	
Railroad Retirement Board: Railroad retirement account.....	* 35,349	244,396	71,146
Veterans Administration:			
General post fund.....	* 669	* 64	
National service life insurance fund.....	76,229	85,000	104,000
U.S. Government life insurance fund.....	* 16,881	* 16,950	* 14,400
General Services Administration: National archives trust fund.....	102		
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund).....	* 1		
Department of Agriculture: Farmers Home Administration: State rural rehabilitation funds.....	2,594	* 616	* 500
Department of Commerce:			
Bureau of Public Roads: Highway trust fund.....	* 393,012	* 429,214	
Maritime activities:			
United States Merchant Marine Academy, donations for chapel and library funds.....	* 45	* 542	
Federal ship mortgage insurance escrow fund.....		60,027	35,886
Department of Defense—Military:			
Army trust funds.....	1		
Navy trust funds.....	63		
Air Force general gift fund.....		5	
Department of the Interior: Bureau of Indian Affairs trust funds.....	100		
Department of Labor: Bureau of Employees' Compensation trust funds.....	* 42	* 50	* 40
Department of State: Foreign Service retirement and disability fund.....	2,164	2,684	2,620
Treasury Department:			
Office of the Secretary:			
Federal disability insurance trust fund.....	552,416	517,186	475,600
Federal old-age and survivors' insurance trust fund.....	* 1,289,759	* 1,011,745	* 33,316
Unemployment trust fund.....	* 1,011,180	* 87,696	304,950
Pershing Hall memorial fund.....	12		
Bureau of Accounts trust funds.....	* 98	* 3,172	* 253
District of Columbia:			
Miscellaneous trust fund deposits.....	3	7	5
Redevelopment program, Redevelopment Land Agency.....	1,148	* 4,165	
Teachers' retirement and annuity fund.....	2,166	1,734	1,474
Investment accounts.....	* 24,069		
Total investments or redemptions in Government securities.....	* 1,215,339	208,330	1,769,157

* Deduct, excess of sales and redemptions over investments.

¹ Includes net issuances of debentures to Federal National Mortgage Association of \$14,260 thousand in 1959 and estimated net redemptions of \$6,000 thousand in 1961.² Includes redemption of \$99,935 thousand due to reclassification to a deposit fund on January 1, 1959.

SPECIAL ANALYSIS F—Continued
 SELECTED INVESTMENTS AND INTERFUND TRANSACTIONS—Continued
 BY AGENCY AND ACCOUNT TITLE—Continued

[In thousands]

Description	1959 actual	1960 estimate	1961 estimate
TRUST FUNDS—Continued			
Issuance (—) and redemption (+) of debt to the public:			
Independent offices: Farm Credit Administration: Operating fund, Federal intermediate credit banks.....	+ \$57,540		
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund).....	—124,940	—\$979,875	—\$800,000
Total issuance (—) and redemption (+) of debt to the public.....	—67,400	—979,875	—800,000
Net decrease (+) or increase (—) in cash balances due to trust fund debt and investment transactions.....	—1,282,739	—771,545	969,157
CAPITAL TRANSFERS FROM REVOLVING FUNDS TO THE GENERAL FUND			
Legislative branch: Government Printing Office: Government Printing Office revolving fund: Payment of earnings to Treasury.....	\$4,539	\$3,700	\$3,725
Independent offices:			
Civil Service Commission: Investigations (revolving fund): Payment of earnings and repayment of capital to Treasury.....	5	7	
Export-Import Bank of Washington:			
Export-Import Bank of Washington fund: Payment of dividend to Treasury.....	22,500	22,500	22,500
Liquidation of certain Reconstruction Finance Corporation assets:			
Payment of profits to Treasury.....	1		
Repayment of investment to Treasury.....	9	6	1,256
Farm Credit Administration: Federal Farm Mortgage Corporation fund: Payment of dividend to Treasury.....	2,100	1,700	1,700
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund:			
Payment of return on capital stock to Treasury.....	765		
Repayment of capital stock to Treasury.....	24,801		
National Capital Housing Authority: Operation and maintenance of properties revolving fund: Payment of rental receipts to Treasury.....			2
Small Business Administration: Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury.....	6,000	4,500	1,300
Tennessee Valley Authority:			
Power program:			
Dividend return to Treasury on appropriation investment.....			39,000
Repayment of investment to Treasury.....			10,000
Nonpower programs: Repayment of investment to Treasury.....	1,915		2,000
Veterans Administration:			
Canteen service revolving fund: Payment of profits to Treasury.....	851	465	26
Rental, maintenance, and repair of quarters: Payment of profits to Treasury.....	7	6	1
Supply fund: Payment of earnings to Treasury.....	33		
General Services Administration:			
Real property activities:			
Cost of maintenance, repair, etc., of improvements, public buildings: Payment of profits to Treasury.....	662		
Maintenance, etc., Lafayette Building, Washington, D.C., public buildings: Payment of profits to Treasury.....	40		
Buildings management fund: Payment of earnings to Treasury.....	398	1,100	1,000
Personal property activities: General supply fund: Payment of earnings to Treasury.....	2,172	2,532	2,500
Defense materials activities: Abaca fiber program: Repayment of investment to Treasury.....	3,500	3,255	
General activities:			
Federal Facilities Corporation fund: Repayment of investment to Treasury.....	5,000	1,600	1,700
Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury.....	1,392	3,600	
Working capital fund: Payment of earnings to Treasury.....	10	10	5
Housing and Home Finance Agency:			
Office of the Administrator:			
Revolving fund (liquidating programs): Repayment of investment to Treasury.....	28,000	180,000	2,000
Community disposal operations fund: Repayment of investment to Treasury.....	20,000	12,000	7,000
Public Housing Administration: Low rent public housing program fund: Payment of property receipts to Treasury.....	521	153	478
Department of Commerce:			
General administration:			
Aviation war risk insurance revolving fund: Payment of profits to Treasury.....			21
Defense production guarantees: Payment of profits to Treasury.....		6	
Working capital fund: Payment of earnings to Treasury.....		42	
National Bureau of Standards: Working capital fund: Payment of earnings to Treasury.....	20	248	35
Department of Defense—Military:			
Defense housing, Army: Payment of profits to Treasury.....	750	450	275
Defense housing, Navy:			
Payment of profits to Treasury.....	75	150	125
Repayment of investments to Treasury.....	375		
Air Force industrial fund: Payment of earnings to Treasury.....	8,000	1,644	
Army management fund: Payment of profits to Treasury.....		800	800
Department of Health, Education, and Welfare: Social Security Administration: Operating fund, Bureau of Federal Credit Unions:			
Repayment of investment to Treasury.....	50	50	
Department of the Interior:			
Bureau of Reclamation:			
Continuing fund for emergency expenses, Fort Peck project, Montana: Repayment of investment to Treasury.....	1,129	1,885	2,151
Upper Colorado River Basin fund: Payment of profits to Treasury.....	3	3	2
Office of Territories: Loans to private trading enterprises, Trust Territory of the Pacific Islands: Repayment of investment to Treasury.....	200		
Department of Justice: Federal Prison Industries, Inc.: Payment of dividend to Treasury.....	4,000	4,000	4,000
Treasury Department: Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury.....	12,375	9,198	9,955
Total, capital transfers from revolving funds to the general fund.....	152,198	255,610	113,557

SPECIAL ANALYSIS G
HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION

FISCAL YEARS 1952 THROUGH 1961

Based on existing and proposed legislation

[In millions]

Description	Actual								Estimate	
	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
BUDGET RECEIPTS										
Individual income taxes.....	\$27,913	\$30,108	\$29,542	\$28,747	\$32,188	\$35,620	\$34,724	\$36,719	\$40,306	\$43,706
Corporation income taxes.....	21,225	21,238	21,101	17,861	20,880	21,167	20,074	17,309	22,200	23,500
Excise taxes.....	8,851	9,868	9,945	9,131	9,929	9,055	8,612	8,504	9,100	9,523
Employment taxes ¹	256	274	283	579	322	328	333	321	333	340
Estate and gift taxes.....	818	881	934	924	1,161	1,365	1,393	1,333	1,470	1,620
Customs.....	533	596	542	585	682	735	782	925	1,176	1,376
Miscellaneous receipts ²	1,794	1,859	2,309	2,562	3,004	2,760	3,200	3,160	4,015	3,935
Total, budget receipts.....	61,391	64,825	64,655	60,390	68,165	71,029	69,117	68,270	73,600	84,000
BUDGET EXPENDITURES										
Major national security:										
061 Military defense.....	38,899	43,611	40,336	35,532	35,791	38,439	39,062	41,233	40,945	40,995
066 Development and control of atomic energy.....	1,670	1,791	1,895	1,857	1,651	1,990	2,268	2,541	2,675	2,689
067 Stockpiling and defense production expansion.....	966	1,008	1,045	944	588	490	625	312	230	134
068 Military assistance.....	2,442	3,954	3,629	2,292	2,611	2,352	2,187	2,340	1,800	1,750
Total, major national security.....	43,976	50,363	46,904	40,626	40,641	43,270	44,142	46,426	45,650	45,568
International affairs and finance:										
151 Conduct of foreign affairs.....	142	150	130	121	120	157	173	237	210	250
152 Economic and technical development.....	2,584	1,960	1,511	1,960	1,613	1,683	1,910	3,403	1,714	1,824
153 Foreign information and exchange activities.....	99	106	91	100	111	133	149	139	141	169
Total, international affairs and finance.....	2,826	2,216	1,732	2,181	1,843	1,973	2,231	3,780	2,066	2,242
Veterans services and benefits:										
101 Veterans education and training.....	1,326	659	546	664	767	774	699	574	445	316
102 Other veterans readjustment benefits.....	122	138	158	150	123	126	168	177	123	124
103 Veterans compensation and pensions.....	2,178	2,420	2,482	2,681	2,798	2,870	3,104	3,275	3,407	3,840
104 Veterans insurance and servicemen's indemnities.....	216	102	100	57	105	47	43	35	36	31
105 Veterans hospitals and medical care.....	784	757	782	727	788	801	856	921	966	990
106 Other veterans services and administration.....	238	223	188	178	176	175	156	193	180	169
Total, veterans services and benefits.....	4,863	4,298	4,256	4,457	4,756	4,793	5,026	5,174	5,157	5,471
Labor and welfare:										
211 Labor and manpower.....	275	281	277	328	475	400	458	844	415	435
212 Public assistance.....	1,180	1,332	1,439	1,428	1,457	1,558	1,797	1,969	2,056	2,087
213 Promotion of public health.....	330	318	290	275	351	469	546	704	850	904
214 Promotion of education.....	177	291	274	325	281	292	319	468	549	565
215 Promotion of science, research, libraries, and museums.....	39	34	33	53	56	71	72	119	221	220
216 Correctional and penal institutions.....	21	27	26	28	31	32	34	39	46	48
217 Other welfare services and administration.....	146	143	146	136	169	201	221	279	304	310
Total, labor and welfare.....	2,168	2,426	2,485	2,575	2,821	3,022	3,447	4,421	4,441	4,569
Agriculture and agricultural resources:										
351 Stabilization of farm prices and farm income.....	46	2,125	1,689	3,486	3,900	3,430	3,151	5,126	3,499	3,950
352 Financing farm ownership and operation.....	272	109	256	236	231	227	239	250	241	229
353 Financing rural electrification and rural telephones.....	243	239	217	204	217	267	297	315	344	355
354 Conservation and development of agricultural land and water resources.....	340	319	252	290	305	374	448	547	740	765
355 Research, and other agricultural services.....	144	142	142	173	215	227	255	291	298	325
Total, agriculture and agricultural resources.....	1,045	2,936	2,557	4,388	4,867	4,525	4,389	6,529	5,113	5,623
Natural resources:										
401 Conservation and development of land and water resources.....	1,140	1,234	1,056	935	803	925	1,138	1,183	1,288	1,440
402 Conservation and development of forest resources.....	95	107	117	119	139	163	174	201	223	222
403 Conservation and development of mineral resources.....	35	38	37	37	38	62	59	71	66	64
404 Conservation and development of fish and wildlife.....	30	34	38	43	45	51	60	68	70	71
405 Recreational use of natural resources.....	33	30	33	35	44	59	69	86	87	87
409 General resource surveys and administration.....	32	34	35	34	35	38	43	60	53	53
Total, natural resources.....	1,366	1,477	1,316	1,202	1,105	1,297	1,544	1,669	1,785	1,938

¹ Includes Railroad Unemployment Insurance Act receipts in 1952.

² Includes taxes not otherwise classified.

SPECIAL ANALYSIS G—Continued

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION—Continued

FISCAL YEARS 1952 THROUGH 1961—Continued

Based on existing and proposed legislation—Continued

[In millions]

Description	Actual								Estimate	
	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961
BUDGET EXPENDITURES—Continued										
Commerce and housing:										
510 Promotion of water transportation.....	\$420	\$455	\$370	\$349	\$420	\$365	\$392	\$436	\$537	\$559
511 Provision of highways.....	470	572	586	647	783	40	31	30	45	3
512 Promotion of aviation.....	169	161	186	179	180	219	315	494	627	750
513 Space exploration and flight technology.....	67	79	90	74	71	76	89	145	325	600
514 Postal service.....	740	659	312	356	463	518	674	774	604	49
515 Community development and facilities.....	15	45	37	56	4	49	78	108	237	204
516 Public housing programs.....	148	29	-401	-115	31	60	51	97	130	148
517 Other aids to housing.....	511	413	-142	270	19	-60	228	1,085	224	78
518 Other aids to business.....	-169	-111	-330	-404	-83	59	115	139	149	178
519 Regulation of commerce and finance.....	190	137	45	38	41	45	49	58	58	64
520 Civil and defense mobilization.....	34	53	63	45	58	65	66	46	56	68
521 Disaster insurance, loans, and relief.....	28	12	1	12	43	21	21	8	8	8
Total, commerce and housing.....	2,624	2,504	817	1,504	2,030	1,455	2,109	3,421	3,002	2,709
General government:										
601 Legislative functions.....	50	49	49	60	77	90	88	102	121	146
602 Judicial functions.....	30	29	29	31	38	40	44	47	50	53
603 Executive direction and management.....	13	9	8	10	9	9	10	12	13	14
604 Federal financial management.....	438	442	449	431	475	476	502	566	560	591
605 General property and records management.....	232	185	155	164	164	194	239	291	384	432
606 Central personnel management and employment costs.....	368	387	93	115	334	627	140	205	198	251
607 Civilian weather services.....	26	28	26	25	34	38	39	46	52	5
608 Protection services and alien control.....	176	147	160	157	188	187	199	216	218	229
609 Territories and possessions, and the District of Columbia.....	50	55	53	67	72	77	75	89	96	126
610 Other general government.....	79	140	213	139	238	51	20	30	20	12
Total, general government.....	1,463	1,472	1,235	1,199	1,630	1,790	1,359	1,606	1,711	1,911
Interest:										
651 Interest on the public debt.....	5,853	6,504	6,382	6,370	6,787	7,244	7,607	7,593	9,300	9,500
652 Interest on refunds of receipts.....	76	75	83	62	54	57	74	70	75	75
653 Interest on uninvested funds.....	5	5	5	5	6	6	8	9	9	10
Total, interest.....	5,934	6,583	6,470	6,438	6,846	7,308	7,689	7,671	9,385	9,585
Allowance for contingencies.....									75	200
Adjustment to daily Treasury statement basis.....	-857									
Total, budget expenditures.....	65,408	74,274	67,772	64,570	66,540	69,433	71,936	80,697	78,383	79,816
Budget surplus (+) or deficit (-).....	-4,017	-9,449	-3,117	-4,180	+1,626	+1,596	-2,819	-12,427	+217	+4,184
MEMORANDUM										
Capital transfers from revolving funds to the general fund.....	\$268	\$265	\$364	\$695	\$391	\$225	\$143	\$152	\$256	\$114
Investments of revolving funds in U.S. securities.....	101	79	-77	126	101	36	91	102	161	185

NOTE.—Special analysis C identifies agencies with expenditures currently included in each category; the chapter summary for each agency shows the functional classification for each account.

Changes made in the functional classification from the 1960 budget are set forth on the following page.

Changes in the functional classification from the 1960 budget to the 1961 budget

1. CHANGES IN CATEGORIES

Classification in 1960 budget	Classification in 1961 budget	Description of change
Commerce and housing:		
511 Promotion of water transportation.....	510 Promotion of water transportation.....	Renumbered.
512 Provision of highways.....	511 Provision of highways.....	Renumbered.
513 Promotion of aviation and space flight.....	512 Promotion of aviation..... 513 Space exploration and flight technology..	{ Former subfunction divided into two subfunctions to provide a separate category for activities of the National Aeronautics and Space Administration.

2. CHANGES IN CLASSIFICATION OF ACCOUNTS

Account	Classification in 1960 budget	Classification in 1961 budget
Housing and Home Finance Agency: Liquidating programs revolving fund, Office of Administrator (change made only for 1959, 1960, and 1961).	516 Public housing programs.....	517 Other aids to housing.
Department of Defense—Civil: All accounts for Ryukyu Islands, Army.	152 Economic and technical development....	609 Territories and possessions, and the District of Columbia.
Legislative branch: Books for the blind, Library of Congress.	217 Other welfare services and administration.	214 Promotion of education.
Department of Health, Education, and Welfare: All accounts for Gallaudet College, Education of the blind, American Printing House for the Blind.		
Department of Agriculture: Payments due counties, submarginal land program, Farm Tenant Act, Forest Service.	354 Conservation and development of agricultural land and water resources.	402 Conservation and development of forest resources.
Department of State: Administrative expenses, mutual security.	151 Conduct of foreign affairs.....	152 Economic and technical development.





